





Honecker attends Romanian ceremony

ALONE AMONG the leaders of Eastern Europe, Herr Erich Honecker, the East German Communist Party chief and Premier, attended yesterday's 40th anniversary celebrations by independent-minded Romania.

Turkish union leaders finally granted bail

NINE LEADERS of Turkey's left-wing labour confederation "Disk" were released from prison in Istanbul yesterday after a surprise decision by a martial law court.

Losses close Sweden's left-wing newspaper

THE FLAGSHIP morning daily of Sweden's left-wing, Stockholm Tidningen, is applying for bankruptcy today after three years of consecutive losses.

Joint bid to boost Norway's growth

THE FEDERATION of Norwegian trade unions (LO) and the country's Federation of Industry (NI) - so often on opposite sides when key political issues are being discussed - are to join forces in a drive to boost domestic industrial growth.

Formaldehyde cover-up claim by union

THE West German trade union federation (DGB) has accused the Government (DGB) of covering up the health hazards of the chemical formaldehyde.

Two bidders emerge for privatisation of Yarrow shipyard

TWO COMPANIES have emerged as competitive bidders in the privatisation of British Shipbuilders' Yarrow shipyard on the Upper Clyde, Scotland.

Foden to build trucks for army

FODEN TRUCKS has secured a contract with the Ministry of Defence to supply 333 recovery vehicles to the British army.

Dublin told 'gas deal cancelled'

A FORMAL letter from Mrs Margaret Thatcher, the Prime Minister, to Dr Garret FitzGerald, the Irish Prime Minister, has put paid to any lingering hopes of saving the £20m project to pipe natural gas from Dublin to Belfast.

WORLD TRADE NEWS

Japanese monopoly prepares for tobacco war

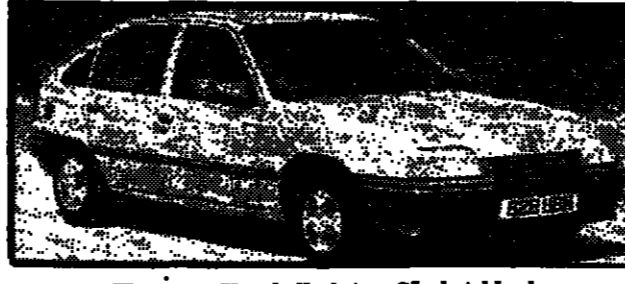
THE JAPAN Tobacco and Salt Public Corporation, which will be privatised next year, has unveiled measures to meet tougher competition from foreign tobacco makers such as BAT of Britain and Phillip Morris and Reynolds of the U.S. after the decontrol of tobacco imports next April.

Kenneth Gooding examines the likely impact of GM's latest Opel/Vauxhall model Record European sales forecast for revamped Kadett

GENERAL MOTORS is to replace its best-selling model in Europe, the Opel Kadett/Vauxhall Astra, next month and expects to sell 550,000 next year - a record for any car in Europe.

How the challenge is being mounted for a bigger market share

THE BALANCE of power between the leading West European car producers changed fundamentally two years ago when General Motors began production of its "S" car, sold as the Opel Corsa or the Vauxhall Nova.



The new Vauxhall Astra GL hatchback.

National curbs 'stifle EEC trade in services'

TRADE IN services is the "Cinderella" of the EEC's development, even though the Community accounts for 36 per cent of world invisible exports and has an annual surplus of \$4.7bn, according to Herr Hans-Joachim Narjes, EEC Commissioner for the internal market.

Malaysia may offer flexible oil sharing

PETRONAS, the Malaysian national oil company, celebrating its tenth anniversary, said yesterday it was considering offering better production sharing terms to attract foreign oil companies to undertake exploration work, Wong Sulong reports from Kuala Lumpur.

OVERSEAS NEWS

Mojahedin condemns Tehran rail-station bomb killings

BY KATHLEEN EVANS IN ABU DHABI

AT LEAST 18 people were killed and more than 300 wounded, some critically, when a bomb exploded outside the main railway station in Tehran yesterday.



Ayatollah Khomeini

Two obscure dissident groups claimed responsibility for the blast. But the explosion was strongly condemned by the Mojahedin, the leading opposition faction.

Moscow boosts navy presence in Red Sea

BY TONY WALKER IN CAIRO

THE SOVIET Union appears to be strengthening its naval presence in the Red Sea as the international hunt goes on for mines in the region.

Mines inquiry ordered SIG BETTINO CRAXI, Italy's Prime Minister, has ordered an investigation into manufacture and export of mines over the past 12 years.

Union facts. The Soviet Union has said little about the explosions in the Gulf of Suez and Red Sea except to add its voice to suggestions by Libya and Iran that the U.S. is using the episode as an excuse to extend its influence in the region.

Mongolian President replaced

MOSCOW—Mongolia's President Yuzhagin Tsedenbal, in power for the past 32 years, was replaced yesterday at a meeting of the republic's ruling Communist Party.

Sri Lanka tightens control over army

BY JOHN ELLIOTT IN COLOMBO

THE SRI LANKAN Government is trying to strengthen the control of its security forces in the north of the island at a time when senior Ministers believe that progress is being made in talks on a political solution to solve the claims of Sri Lanka's minority Tamil community.

S. African Ministers call poll acceptable

By Jim Jones in Johannesburg

SOUTH AFRICAN Cabinet Ministers yesterday said the 30 per cent poll at Wednesday's coloured elections was acceptable, while doubts grew about how representative the elections had been.

Admiral named as Petrobras president

By Andrew Whitley in Rio de Janeiro

ADMIRAL Theima Dutra, de Rezende has been named as the new President of Petrobras, the Brazil state oil company.

AMERICAN NEWS

Reginald Dale reports from Dallas on the sentimental double act of the Reagans 'Spectacular pizzazz by two Hollywood vets'

THE FIRST couple of the U.S. has called on years of experience to parade seemingly effortless star quality in front of delighted Republican fans in Dallas this week.



Leading Ronald Reagan and vice president George Bush admire gifts of Dallas Cowboy fans: 1 shirts

As Mr Reagan was triumphantly and predictably re-nominated by his party on Wednesday night for another four years in the White House, the President and his wife produced a double act that was both polished and sentimental, but above all lighthearted.

Mexico orders audit on state companies

BY DAVID GARDNER IN MEXICO CITY

THE MEXICAN Government is to commission an external audit of some 60 state companies and government offices as part of a bid to tighten up on efficiency and financial stringency in the public sector.

Mr Reagan, who has recently been in mild trouble for an off-the-cuff joke about "bombing Russia," showed no sign of repentance about his slipshod habits. As Missouri delegates pushed the voting tally for his re-nomination over the top, Mr Reagan, who had been watching the proceedings on television in his hotel suite, kissed his wife for the cameras and exclaimed, with mock relief: "We've been sweating this out and we finally made it. As for the plan to accept the nomination, Mr Reagan replied: "I guess so."

Managua alliance loses legal status

BY TIM COONE IN MANAGUA

THREE OPPOSITION parties in Nicaragua which failed to register for the November general elections have lost their legal status as parties.

Bank team on Chile fact-finding visit

BY MARY HELEN SPOONER IN SANTIAGO

A TWO-MEMBER delegation from Manufacturers Hanover Trust, the U.S. bank heading Chile's debt renegotiating committee, has arrived in Santiago to begin its fact-finding visit.

Rama Rao threatens six-day agitation

BY K. K. SHARMA IN NEW DELHI

MR N. T. RAMA RAO, the dismissed Chief Minister of the South Indian state of Andhra Pradesh, yesterday threatened to launch a six-day agitation from tomorrow if an early date is not announced for a session of the state's Legislative Assembly.

Transport strike threat to Pope's Toronto visit

By Bernard Simon in Toronto

TORONTO'S 7,700 public transport workers have voted to begin an indefinite strike on September 13, threatening to stunt the city into chaos two days before the arrival of Pope John Paul.

Border violence clouds Afghan-Pakistan talks

BY ANTHONY McDERMOTT IN GENEVA

TALKS between Afghanistan and Pakistan aimed at the ultimate withdrawal of Soviet troops from Afghanistan start in Geneva today, with diplomatic analysts sceptical of any breakthrough.

Mongolian President replaced

MOSCOW—Mongolia's President Yuzhagin Tsedenbal, in power for the past 32 years, was replaced yesterday at a meeting of the republic's ruling Communist Party.

These formulations appear to indicate that Mr Tsedenbal, who has been staunchly loyal to Moscow throughout his rule, was not in political disgrace.

Sri Lanka tightens control over army

BY JOHN ELLIOTT IN COLOMBO

In an interview yesterday, Mr Lalith Athudumudala, the Security Minister, said that there was "tremendous apprehension" among the island's Sinhalese people, who live in the South, that Mrs Gandhi might invade.

Rama Rao threatens six-day agitation

BY K. K. SHARMA IN NEW DELHI

Mr Rama Rao returned to Hyderabad, capital of Andhra, yesterday after parading 162 legislators before the President, Mr Zail Singh, on Tuesday, to demonstrate his still had a majority in the 294-member Assembly, and in support of his claim that the present Chief Minister, Mr Bhaskara Rao, had been illegally given office.

Transport strike threat to Pope's Toronto visit

By Bernard Simon in Toronto

The workers have rejected a 5 per cent pay increase in two separate ballots. Nonetheless, mediation efforts are expected to be stepped up as the strike date approaches.

MANAGEMENT

THERE cannot be many more interesting jobs in town than James Ross's. As general manager of British Petroleum's corporate planning department...

James Ross (right) is now at the centre of BP's intellect. The re-engineering of his planning department was a continuum between himself and his two predecessors...



A corporate planner's dream

Ian Hargreaves talks to a key strategist at British Petroleum

Providing a devil's advocate... Allocating resources to each BP business, which is achieved by setting annual contracts between the centre and the businesses.

Ross's role has been to take these concepts and build upon them, operating a planning function which understands the businesses and can assess them...

so long as you generate these funds post-investment back to the corporation. It was a major change and it is working well.

The key in all this is to get at each business's own competitive position, says Ross. "This is an area which BP has frankly been weak on."

BP's mistakes in the last investment boom, he thinks, were a mixture of relative and absolute—in some cases more a question of paying the wrong price at the wrong time rather than making the wrong purchase.

Under a far-reaching productivity deal with the Transport and General Workers' Union, the 300 tanker drivers and depot workers will be limited to 37 1/2 hours' work a week.

Working hours

Why Petrofina is abolishing overtime

PAID OVERTIME for manual workers seemed a many-headed devil to Pierre Jungels, managing director of Petrofina UK, a subsidiary of the Belgian oil company. So on September 1, it will be abolished.

Under a far-reaching productivity deal with the Transport and General Workers' Union, the 300 tanker drivers and depot workers will be limited to 37 1/2 hours' work a week.

TECHNOLOGY

COMPUTER AIDED DESIGN

Auto-trol re-enters the design market

AUTO-TROL a computer-aided design company in Denver, Colorado is making a name for itself in Europe in a joint venture with the Italian company Selenia.

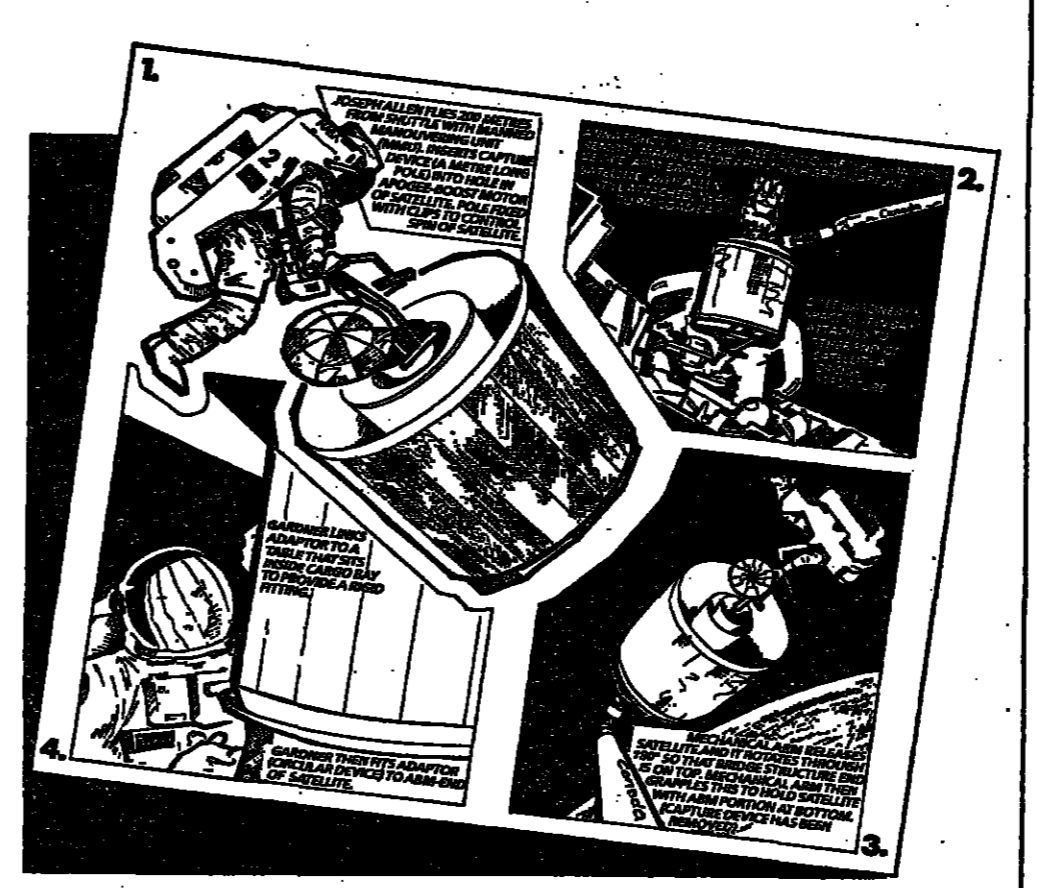
where there are structural members in compression and tension—for example, oil rigs, bridges, roofs and cranes for example.

U.S. SHUTTLE ASTRONAUTS TO SALVAGE DISABLED SPACECRAFT

Bold bid for satellite rescue

BY PETER MARSH

ENGINEERS in the U.S. are working on a set of grappling equipment for space missions that will be vital to the success of a bold bid in November to capture from the heavens two ailing satellites and return them to earth.



Space technicians in the U.S. have worked out the precise sequence for the rescue of two satellites 359 km above the earth in a salvage mission later this year.

EDITED BY ALAN CANE

Financial services

Single link to data

FINANCIAL ELECTRONIC SERVICES have burgeoned in the past few years. Organisations subscribing to these information services have usually found more than one terminal to gain access to the information.

Complete protection from corrosion and moisture damage. John S. Bass and Co. Ltd. 061-834 3071 Telex 666736

Artificial intelligence

EXPERT systems are computers which emulate the specialist knowledge of a doctor, engineer, or lawyer, for example. They are a step towards artificial intelligence where the computer can make decisions based on the information it stores and that knowledge.

Smooth talking

FIRST BYTE said it has introduced a text-to-speech synthesis software product for microcomputers called "Smoothtalker."

Electronic mail

ELECTRONIC mail systems where personal computers can transmit letters and documents over the public telephone network have now been joined by Textnet.

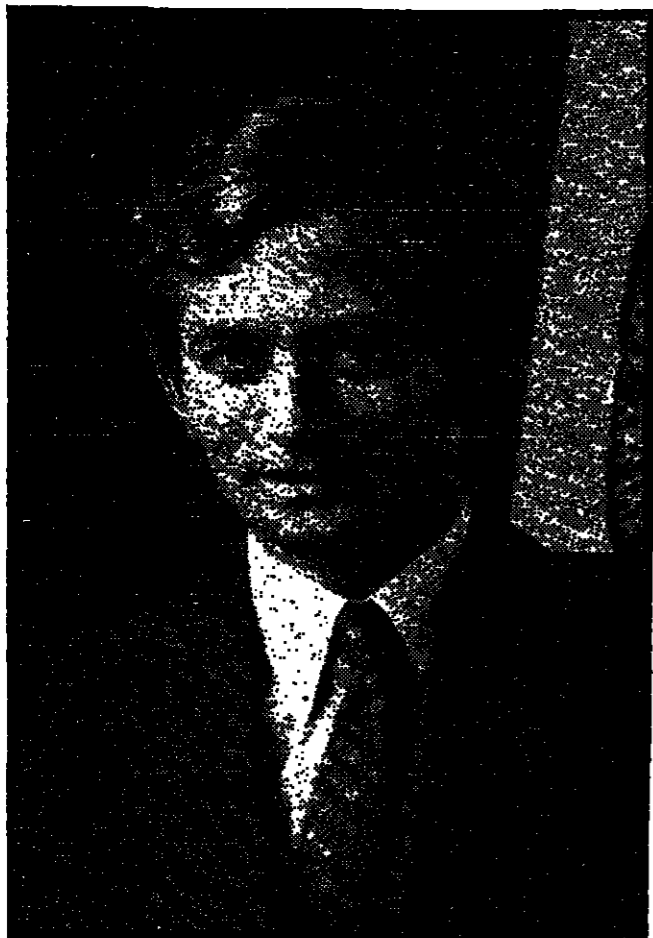
Textnet on 01-242 2882.

Mr Barry Roberts, Aregon's UK sales director, sees many opportunities for the new system as a replacement for the jumble of terminals now appearing in city dealing rooms and stockbrokers' offices.

Handwritten signature or mark at the bottom of the page.

# FINANCIAL TIMES SURVEY

Friday August 24 1984



Crown Prince Hans-Adam: taking on a wider role as deputy to his father, Prince Franz Josef.

**Interviewed by John Wicks,**  
**Crown Prince Hans-Adam,**  
**who takes over the reins**  
**of office on Sunday, sees**  
**the Principality as . . .**

## A model for developing countries to follow

**Q:** What do you see as the current political priorities for your country?  
**A:** The most important outstanding question has now been settled by the recent popular vote in favour of female suffrage. Other domestic priorities include the drawing-up of a new code of criminal law. At present, the Principality's penal code is based on mid-19th century Austrian law and no longer meets current requirements: a new code has been drafted, also close to the Austrian model, and could be introduced in the next two years.

We also need a more modern income-tax system for residents. As far as foreign policy is concerned, it would be advantageous for Liechtenstein to join the United Nations, though this is a controversial subject here. Our joining would not depend on whether or not Switzerland becomes a member—but it would be easier if the Swiss were to join. As far as we can judge, any opposition to Liechtenstein membership from within the UN might come from Western rather than East Bloc countries; in the 1960s it was the U.S. which attempted

to limit small-nation membership.  
**Q:** What do you consider to be the role of a small nation like Liechtenstein in today's world?  
**A:** Although our contribution is limited by our very size, we gain credibility in the eyes of the world by being free of power politics. Liechtenstein also has no major problems of its own and could aid developing countries by passing on some of its own experience—how, for example, to reduce the agricultural share of the working population from over 50 per cent to only 3 per cent with no adverse effects. The Principality is already able to contribute to the work of UN organisations and is a member of the Council of Europe.

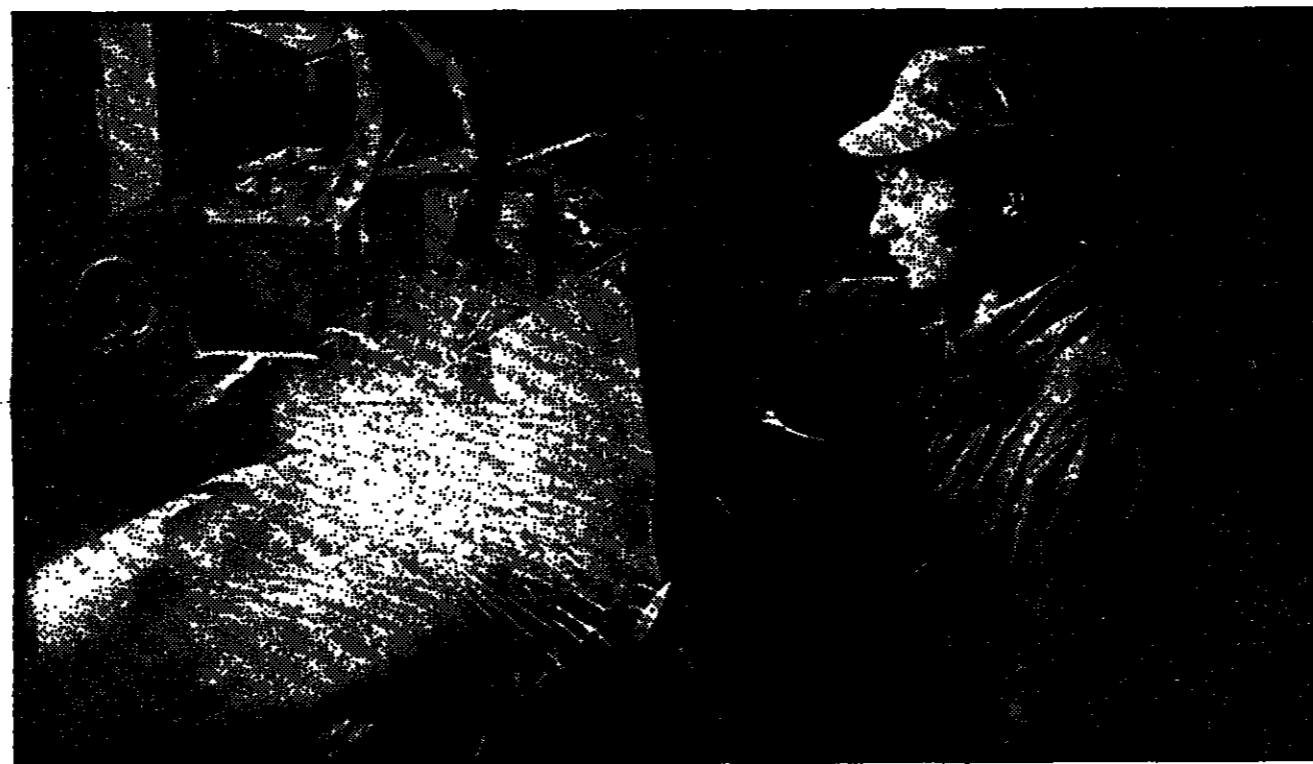
**Q:** In view of the close links to your neighbour Switzerland under the customs and currency union, do you see difficulties in the preservation of national autonomy?  
**A:** The awareness has been growing in this country that we should look for national solutions wherever these are sensible. I shall certainly continue in this direction. Today's Europe presents more chances



# Liechtenstein



ABOVE: The castle at Vaduz, residence of the reigning Prince of Liechtenstein. BELOW: The Principality's industrial growth since World War II has been phenomenal. Before that, it was an agricultural country, today only 3 per cent of the population is engaged on the land, while 54.5 per cent of the labour force is employed in industry and commerce



## Rapid industrial growth to the sound of cowbells

THE Principality of Liechtenstein, with a total area of less than 62 square miles and a resident population of rather over 28,000, is one of the smallest sovereign States on earth.

It is also one of the least-known; a survey carried out a few years ago in the UK showed that almost one-half of those asked "had no idea of what or where it was." Such associations as the country has for the outside world tend to be pulp-novel clichés of an Alpine Ruritania full of company nameplates and cowbells.

The company nameplates are undoubtedly present and, though much less in evidence, the cowbells. There is much more to Liechtenstein than the picturesque tax haven, however. Indeed it is one of Europe's great success stories.

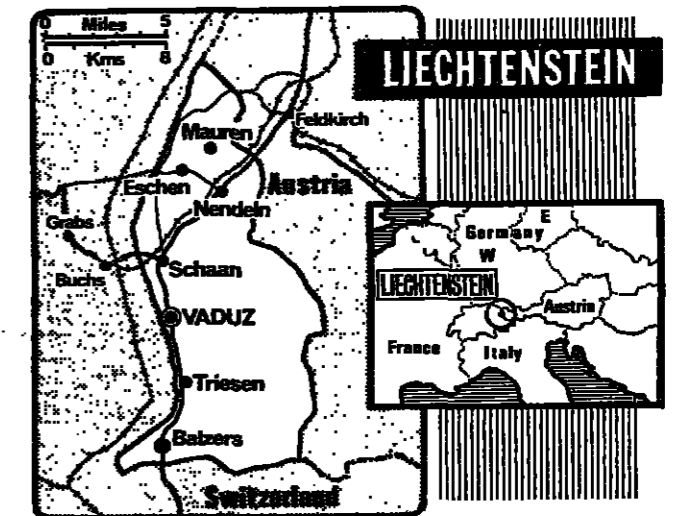
Within two generations, it has developed from a poor farming community to an extremely wealthy area. Quite apart from the income accruing from such pocket-State activities as company registrations, postage stamps and tourism, it has become a highly industrialised nation with a per-capita income far higher than that of its rich neighbour Switzerland.

Unemployment is close to nil, the Currency and Customs Union with the Swiss keeps inflation low and the economy has been relatively unharmed by the recent recession.

Liechtenstein is now entering into a new era. Next Sunday the country's ruler—His Serene Highness Prince Franz Josef—will name Crown Prince Hans-Adam as his deputy.

Although Prince Franz Josef, who has been on the throne since 1938, is not abdicating he has decided to pass over the reins of office to his 39-year-old son and future heir.

The Crown Prince, who was educated in Austria and Switzerland, spent some time working in a London bank before taking an economics degree in St Gall in the late 1960s.

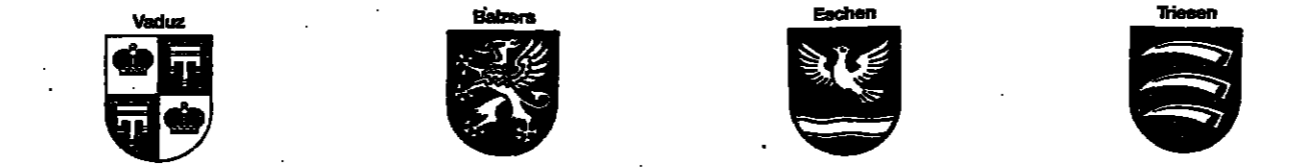


**Q:** What is the current situation with regard to your diplomatic relations with foreign countries?  
**A:** Liechtenstein still has only one diplomatic mission abroad, that of the Embassy in Bern. However, the Ambassador has now also been accredited in Vienna. Otherwise, Switzerland looks after our interests in foreign countries.

**Q:** To what extent has Liechtenstein tightened controls over "offshore" facilities?  
**A:** The latest revision of the regulations regarding offshore companies is as far as we can go at present. This has already proved its value in that Liechtenstein has recently been involved in no real scandals. Should there still be weak points in the system, we shall of course have to take the necessary steps. In many ways we now have stricter controls than those of some other countries—for example, in the field of arms trading.

**Q:** How about the international reputation of Liechtenstein in this connection?  
**A:** It naturally takes time to improve a reputation—especially when this needs up-grading. But an improvement has taken place, not least thanks to better contacts to other European countries who have realised that former defamations were largely without substance.

**Q:** Can you say anything about the private business interests of your family, which you yourself administered over the past year?  
**A:** I took over control of the family interests some 15 years ago and have since handed these over to a national foundation. My father is the chairman of the foundation's board and I am the vice-chairman. However, the majority of the board is made up of businessmen and I gave up the management of the foundation over a year ago; this is now in the hands of professional managers.



for small nations to co-operate on an international basis while retaining their autonomy. In any case, the reliance of our export sector on trade with Switzerland has been declining for the past 20 years.

**Q:** How do you, as a trained economist, see the future of the Liechtenstein economy?  
**A:** I am optimistic. We have a widely diversified economy, being one of Europe's most highly industrialised nations, as well as the base for a strong services sector. This broad spread, which we intend to uphold, gives Liechtenstein a high degree of stability, particularly in light of the preponderance of small and medium-sized businesses. Since it will hardly be possible to expand our labour force, industry will continue to expand into high value-added fields such as that of electronics.

**Q:** How serious is the problem of immigration, with over one-third of the population consisting of foreigners?  
**A:** We cannot realistically turn the clock back by simply sending foreigners home again. The only way to stabilise or reduce the foreign share of the resident population is to facilitate naturalisation for long-established aliens. The number of naturalisations has been on the increase recently, the public having taken up a rather more liberal-minded attitude as the influx of new foreigners had fallen to a trickle. The alien share is now likely to remain at somewhere close to the one-third mark.



Hilti products were specified for fastenings in the reactor buildings at the Tomess and Heysham power plants (our photo). Safety regulations are particularly stringent in these buildings. Therefore specialists from Hilti (GB Britain) were called in to install all the fastenings.

## Safe and Reliable Fastenings on all Construction Projects Around the World. From Hilti in Liechtenstein.

A Hilti product can be found on almost every project — anchors, plugs, studs, nails, suspensions, pipe clamps, and many others. Even though only 1% of a project's cost is spent on fastenings on average, this one percent can have vital importance when the safety of a fastening is at stake.

The Liechtensteiner Hilti Group employs 8500 people and sells its products in 80 countries around the world. Our consolidated 1983 sales reached 1.255 billion Swiss francs.

This is why Hilti places such great emphasis on professional advice, be it on the site or during a project's planning phase. Our engineers and technical advisory personnel are backed up by extensive data and comprehensive knowhow assembled by our Research & Development Division during years of fruitful effort.

Our customers benefit from a well-balanced range of products. Our fastenings systems are manufactured in 10 plants: Hilti Industries (GB) in West Bromwich



Corporate Headquarters: Hilti Corp., 9494 Schaan, Principality of Liechtenstein  
British Subsidiary: Hilti (Gt. Britain) Ltd., Hilti House, Chester Road, Manchester M16 0GW  
Production Plant in Great Britain: Hilti Industries (GB) Ltd., New Street & Griffin Street, West Bromwich/West Midlands B70 7PY

LIECHTENSTEIN 2

Industrial service sector boosts the economy, John Wicks, reports.

From poverty to prosperity

THE national anthem, which is sung to the tune of God Save the Queen, has a second verse which starts: "Long live Liechtenstein, flourishing on the young Rhine." For years now, this has been more than a pious hope. The Principality has flourished to the point where it has become one of the wealthiest countries in the world.



There are few reliable economic indicators to show just how prosperous Liechtenstein has become. Apart from the limited capacity of the small Government apparatus, links to Switzerland are extremely close and complex owing to the currency union and the open border.



from the development of personal earnings; by 1982, income from employment within the Principality reached some SwFr 635m, or about SwFr 40,000 (\$12,500) per employee. Gross domestic product is believed to have reached some SwFr 1bn (U.S.\$ 440.5m) last year. This would equal some SwFr 63,700 per head, although it cannot be

compared with other countries' per-capita figure in that about one-quarter of the labour force comes in daily from Switzerland and Austria. Liechtenstein is, always in terms of its size, much more highly industrialised than other European countries. In 1982 no less than 53.6 per cent of the work force was employed in the secondary sector—as against 42.7 per cent in West Germany or 38.7 per cent in Switzerland, for example—and 43.9 per cent in the service trades. The share of farming in the once almost wholly agricultural country sank to only 2.5 per cent.



Prof. Martin Hill, chairman of Hilti, Liechtenstein's major industrial concern



SLT - FORWARDING GROUP WORLDWIDE

... the mark of quality for individual forwarding services by land, sea and air

- EUROPE FL-9490 VADUZ: Schellenberg, D-2000 HAMBURG 28, D-2800 BREMEN, D-4330 MULHEIM/RUHR, D-6000 FRANKFURT/MAIN 75, CH-9470 BUCHS SG

- OVERSEAS ASUNCION, SANTIAGO DE CHILE, MONTEVIDEO, KUWAIT, BUENOS AIRES

INTERNATIONAL FORWARDERS - IATA AGENTS

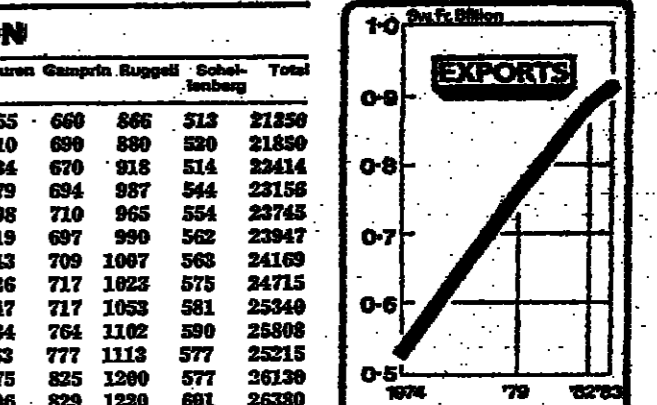
With a population of under 27,000, business is extremely export-oriented. Since the war, Liechtenstein has become a supplier of some note on the world market, its foreign sales rising from SwFr 15m in 1950 to SwFr 334m in 1970 and as much as SwFr 813m last year. This is the equivalent of about SwFr 58,550 per employee, as compared with per-head exports from Switzerland of "only" about SwFr 17,500.

Banking: BANKING has developed rapidly in the Principality over the past few years. Assets of the country's banks more than tripled between 1980 and the end of 1983 and have shown further growth this year so far.

Investors have good reason to invest with VPBank. Financial figures table showing assets, deposits, and loans for 1983 and 1984.

INCREASE IN POPULATION

Table with columns for Year, Vaduz, Triengen, Salzkirch, Triesenberg, Schaan, Planken, Eschen, Mauren, Gamprin, Ruggell, Schellenberg, Total. Shows population growth from 1970 to 1983.



Even a lean period on world markets did not bring about anything even approaching a recession in Liechtenstein, however. Unemployment peaked this January at a bare 0.4 per cent and has since fallen to about 0.3 per cent (49 persons) at the end of June. Short time, which had affected a maximum of 145 in March of last year, now involves only four employees.

The benefit of a strong home base

Banking: activities as largely integrated into the Swiss financial system. As well as belonging to their own organisation, they are members of the Swiss Bankers' Association. Since 1980, the Swiss National Bank has had the same monetary powers in Liechtenstein as at home.

Far East within the next two years. For all that, Liechtenstein has no intention of becoming a tax haven. The banks, who are naturally keen on retaining their hitherto unblemished reputation, have traditionally done all they can to avoid attracting "funny money" by adhering to good-conduct guidelines which they say have in part been stricter than those of the Swiss.

Landesbank: The Landesbank was a pioneer of the automatic service point. This is why they were very glad the Swiss "Banking Motion" was thrown out this May; had it been accepted, the relatively small flow of money which had been re-routed to Vaduz by apprehensive clients of Swiss banks would have turned into a flood.

Advertisement for VPBank (Verwaltungs- und Privat-Bank Aktiengesellschaft) featuring a table of financial figures and contact information.

Advertisement for Landesbank featuring a large image of the bank building and text describing its services and history.

LIECHTENSTEIN 3

Links with Switzerland are of vital importance to its export economy

Consolidation after rapid expansion

Industry

ANTHONY McDERMOTT

INDUSTRY in Liechtenstein has at present probably reached a peak. Its growth since the Second World War has been phenomenal. Before that, it was a poor agricultural country, today only 3 per cent of the population is engaged on the land, while 54.5 per cent of the labour force is employed in industry and commerce. Given its small population it is one of the most industrialised countries in the world.

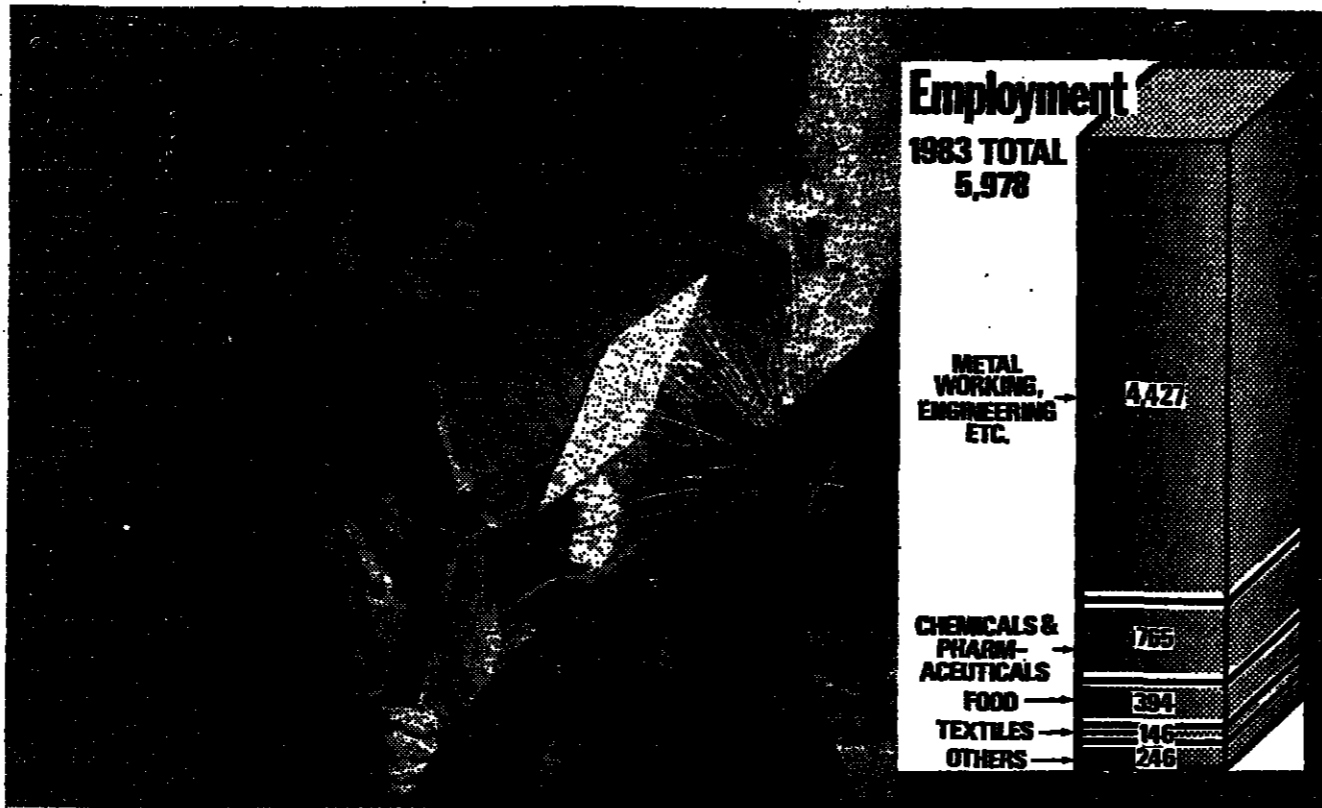
Because of its close economic links with Switzerland, its fate and development is inevitably not entirely in its own hands. The customs, economic and currency union has been in existence since 1924 and is of fundamental importance to Liechtenstein's export economy. The agreement relating to the European Free Trade Association (Efta) is applicable to Liechtenstein. So, too, is Switzerland's free-trade agreement with the European Community.

Thus Liechtenstein's economy has been exposed as well to the world recession and the effects of exchange rate distortions. But because of its small size there are genuine limitations on growth and this has given broad policies a change in direction.

As Mr Herbert Kindle, head of the Liechtenstein Chamber of Industry and Commerce, puts it: "The development will be more consolidated than it was. The real boom is over."

The export pattern gives a good picture of how industry has developed. In 1980 exports were a mere SwFr 82m (U.S.\$36.12m). By 1974 they had reached SwFr 335.96m, and between 1975 and 1980 (when they were worth SwFr 887.63m) annual average growth rates of just over 11 per cent were being recorded. A marginal decline was suffered in 1981, and a growth rate of 1.4 per cent in 1982. Last year exports rose by 2.8 per cent to reach SwFr 919.23m.

Switzerland took 22.9 per cent of Liechtenstein's exports last year, worth SwFr 210.5m and these constituted by far the greatest proportion of SwFr



goods sold to Efta countries (at SwFr 281.92m, down 1.3 per cent on the previous year). The largest proportion, or SwFr 348.67m—37.9 per cent, went to EEC countries (down 0.6 per cent), and sales to the rest of the world, worth SwFr 283.68m rose by 11.8 per cent.

The boom in export earnings has been reflected more in wages and salaries than in the numbers of those employed. The number of those employed fell from 5,300 in 1974 to 5,096 in 1976 and thereafter there was a gradual rise, with a peak of 6,414 in 1981. Last year the figure had fallen back for the second year running to 5,978 (2.5 per cent fewer than in 1982).

Wages and salaries fell by 2 per cent last year to SwFr 269.87m, but individual earnings have continued to grow, so that the average income of an industrial worker last year was SwFr 43,300.

Twenty-eight companies are currently registered with the Chamber of Industry and Commerce including: 13 in metalworking, engineering and



Schaan



Gamprin

instrument making, four in both textiles and ceramics, chemicals and pharmaceuticals, and two in food.

Metalworking, etc. employ the largest number (4,427), followed by ceramics etc (765), food (394) and textiles (146). The rapidity with which industry has expanded has imposed strains on the local labour force. As a result, on a daily basis, some 2,500 workers cross the border from Austria and another 1,000 from Switzerland to work in Liechtenstein's industry.

Besides the limits imposed by external economic growth (for Swiss industry this year forecasts are in the range of 2.5 per cent), and high wage costs, there are genuine space limits in a country with an area of only 160 sq kilometres. Of this, only

one-quarter along the Rhine Valley could be used for expansion.

But prices are high and there are non-industrial zoning plans. Also it would be hard to increase the work force without taking in more foreign workers.

In 1982 these made up 42.7 per cent of the work force, an even higher proportion than the number of foreign residents in the population.

Leaving aside the social and family insurance contributions which the Government makes, "Ueberfremdung" ("too many foreigners") has begun to become an important political issue. As a result, according to Mr Kindle, "We have reached a plateau... the path forward is a question of innovation."

A review of selected company performances presents some indications of the circumstances in which they have had to operate, how they have responded and how they see the short-term future.

The Oerlikon-Buehler group based in Zurich possess both Balzers AG and Press und Stanzwerk AG in Eschen. The former specialists in high-vacuum and thin-film technology. World wide the Balzers division experienced an increase in turnover last year of 6 per cent, while that of the local company was 9 per cent.

In Liechtenstein, its work force fell by 21 to 1,291 (globally it stood at 2,450). Investments overall rose in 1983 from SwFr 12.7m to SwFr 15.3m, of which Balzers AG received SwFr 4.8m. The concentration was on developing new products. The metal-working company in Eschen, increased its turnover by about 30 per cent as a result of intense marketing new areas of North America, and because its plants



In marked contrast to the Principality's scenic image, Liechtenstein is one of the world's most industrialised countries

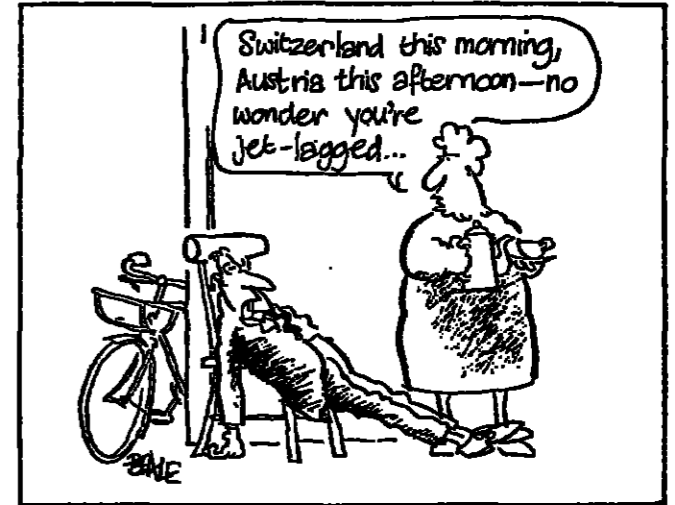
in France and Italy had prospered.

By contrast Elastin-Werk AG at Triesen, one of Europe's best known manufacturers of sausage skins, had a tough year, one of "consolidation." It produced 23.3m metres of products — 83 per cent of capacity — and sales fell by 7 per cent. To counter a similar performance forecast for this year, the management is being restructured and the search for new products continues.

Gravo-Optic GmbH in Vaduz — indicating the variety of products, specialising as it does in photochemically-based precision calibrations—expects this year to be as successful as last, which it described as "good" and in its specialised sector represented "a striking leap forward."

Elicona, producers of ready-made and frozen foods, in Schaan, was another company made aware of cutbacks in food-buying and tourism, and resolved to fight back through intensive marketing in new areas, particularly of 20 newly-developed products.

Ivoclair AG, one of the world's largest false teeth manufacturers, succeeded in holding on to its share of the diminishing West German market, but continued to sell to some 90 countries world wide. However, Jenny Sperry and Cie of Vaduz, producers of cotton yarn and fabrics had a difficult year with the cost of raw materials rising by 35 per cent and over production countered through



considerable price concessions.

Ellit AG of Schaan is an example of an internationally-minded company, producing fastening systems for construction purposes. It has a workforce of around 10,000; nearly five times as many employees as in Liechtenstein. Group turnover increased last year by 5 per cent largely due to success with the introduction of new products. Recession in the main markets of the U.S. and West Germany was offset by progress in new Middle and Far Eastern markets.

In terms of results, most Liechtenstein industrial companies, whether small or large, recorded stagnation during the first half of 1983, with a distinct improvement in the second.

The Chamber of Commerce at the end of the first quarter lobbied its members for views on 1984. Eight companies, employing about 3,400 workers thought it would be good, 9 employing about 3,000 considered it would be satisfactory and another 9 with 600 employees looked towards 1984 as being either uncertain or exceptionally bad.

The exchange rate weakness of the Deutschmark was foreseen as a major problem, affecting a major export target area. But the low rate of inflation in the Swiss franc area and what seemed to be a strong business recovery in the U.S. were seen as being advantages to help industry in the Principality during a present and continuing period of, essentially, consolidation.

SWISS Banking, Finance, and Investment

DECEMBER

The Financial Times is proposing to publish a survey in December on Swiss Banking, Finance and Investment. The synopsis introduction states that:

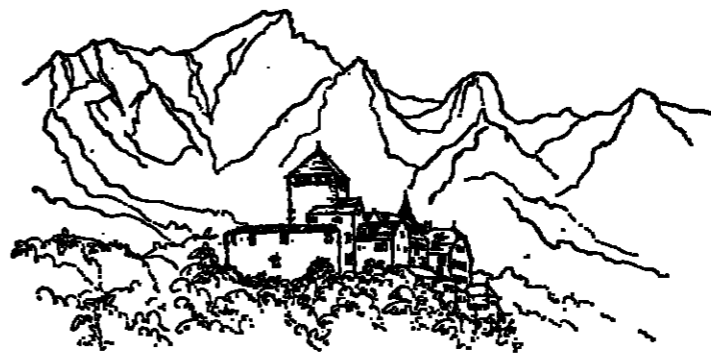
"This year should set new records for Switzerland as a financial centre. The first half has seen further growth in stock exchange turnover, foreign borrowings and bank assets. The economy continues its recovery, without any inflationary over-heating and the international investment community remains favourably impressed by Swiss stability."

For further information and advertisement rates please contact:  
 PATRICIA SURRIDGE Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY  
 Tel: 01-248 8000 Ext 3426  
 Telex: 885033 FINTIM G  
 GUNTER BREITLING F.T. (Switzerland) Ltd., 15 Rue du Cendrier, 1201 Geneva, Switzerland  
 Tel: 311604  
 Telex: 22589

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of Surveys are subject to change at the discretion of the Editor

TO INTERNATIONAL INVESTORS WHO HAVE OVERLOOKED LIECHTENSTEIN.



It's easy to overlook Liechtenstein. Geographically located between Switzerland and Austria, not far from Zurich, Liechtenstein is one of the smallest countries of Europe with an area of only 61 square miles and a population of 26,000.

But what Liechtenstein lacks in size it more than makes up for in solidity and stamina dating back over centuries. Durability is its heritage. Preserving wealth is its skill.

That's why a growing number of discerning institutional and private investors seeking genuine international diversification are turning to Bank in Liechtenstein. They have discovered that Bank in Liechtenstein, true to its heritage, puts special emphasis on lasting client relationships, taking the long-term view aimed at preserving and enhancing wealth in line with investor needs.

Individual investment counsel, asset and trust management facilities as well as special services for international private and commercial clients are Bank in Liechtenstein strengths that have stood the test of time.

If you have overlooked Liechtenstein, isn't it about time you found out more about us? For complete information, just write or call: Bank in Liechtenstein, Herrengasse 12, 9490 Vaduz, Fürstentum Liechtenstein, Telephone: 75-51122, Telex: 77865 or our London Representative Office, 70 King William Street, London EC4N 7HR, Telephone: 01-6260831/32/33, Telex: 8811714 billion g.

BANK IN LIECHTENSTEIN AG  
 Linked to a great European heritage.





THE ARTS

Cinema/Nigel Andrews

Dazzling poetry in a rich desert



Nastassja Kinski with Hunter Carson in a scene from "Paris, Texas"

Paris, Texas directed by Wim Wenders. Edinburgh Festival Orinoko - New World directed by Diego Risquez. It's no surprise in an age when we're besieged on all sides by ersatz or aerosol emotions...

But it isn't. Nor is the wandering West German wizard who made The American Friend, Hammett and The Tale of Things about to down talk and go into the tear-jerker business...

Opera and Ballet

WEST GERMANY

Hamburg, Staatsoper: The week starts with Der Barber von Sevilla finely interpreted by Rachel Joseason and Udo Krehow...

NEW YORK

New York City Opera (New York State Theater): The company's 40th season continues with La Traviata, again directed by Frank Corsaro...

WEST GERMANY

Cologne, Güzrich: Güzricher Orchestra, conducted by Yuri Ahronovitch, Albert Weissenberg, piano...

NEW YORK

New York Choral Society (CAMI Hall): The summer-long series ends with Robert DeCormier conducting an all-Sachs programme...

CHICAGO

Ravinia Festival: Kalichstein-Laredo-Robinson Trio. Haydn, Mendelssohn, Tchaikovsky (Wed.)...

Arts Week F S Sa M Tu W Th 24 25 26 27 28 29 30

Music

LONDON

BBC Symphony Orchestra and Singers conducted by Pierre Boulez. Bantok, Berg, Pierre Boulez, and Debussy with Jessye Norman...

WEST GERMANY

Düsseldorf, Heijens-Museum, 4 Schulstrasse: To commemorate its 75th anniversary the museum, specialising in china, ceramics and glass...

VIENNA

Treasures of Dusseldorf Art Museum: cross-section of European artistic development throughout the thirteenth century...

BERLIN

Berlin, Bode-Museum, 14 Klempnerstrasse: Opening tonight of an exhibition series dedicated to Wassily Kandinsky...

MÜNCHEN

München, Museum, 3 Miesbachstrasse: Roughly 100 architectural designs, graphics and photographic documents by Friedensreich Hundertwasser...

ITALY

Venice, Arzuffini: This year, the historical section of Venice's Biennale offers a large and splendid collection of painting, sculpture, furniture and pottery dating from the Venetian Renaissance...

TOKYO

New Stone Age Earthware from Shion Collection: 300 items of pottery from the Jomon period (about 4000-250 BC)...

PARIS

Charles Schneider - an artist with glass and a magician with colours: began with Art Nouveau and its formal themes to become a pioneer of Art Deco...

Salzburg Festival

Herbert von Karajan conducts the Vienna Philharmonic. Vivaldi and Tchaikovsky with Anne Sophie Mutter...

NEW YORK

New York City Opera (New York State Theater): The company's 40th season continues with La Traviata...

WEST GERMANY

Cologne, Güzrich: Güzricher Orchestra, conducted by Yuri Ahronovitch, Albert Weissenberg, piano...

NEW YORK

New York Choral Society (CAMI Hall): The summer-long series ends with Robert DeCormier conducting an all-Sachs programme...

CHICAGO

Ravinia Festival: Kalichstein-Laredo-Robinson Trio. Haydn, Mendelssohn, Tchaikovsky (Wed.)...

VIENNA

Treasures of Dusseldorf Art Museum: cross-section of European artistic development throughout the thirteenth century...

BERLIN

Berlin, Bode-Museum, 14 Klempnerstrasse: Opening tonight of an exhibition series dedicated to Wassily Kandinsky...

MÜNCHEN

München, Museum, 3 Miesbachstrasse: Roughly 100 architectural designs, graphics and photographic documents by Friedensreich Hundertwasser...

ITALY

Venice, Arzuffini: This year, the historical section of Venice's Biennale offers a large and splendid collection of painting, sculpture, furniture and pottery dating from the Venetian Renaissance...

TOKYO

New Stone Age Earthware from Shion Collection: 300 items of pottery from the Jomon period (about 4000-250 BC)...

PARIS

Charles Schneider - an artist with glass and a magician with colours: began with Art Nouveau and its formal themes to become a pioneer of Art Deco...

Opera and Ballet

WEST GERMANY

Hamburg, Staatsoper: The week starts with Der Barber von Sevilla finely interpreted by Rachel Joseason and Udo Krehow...

NEW YORK

New York City Opera (New York State Theater): The company's 40th season continues with La Traviata, again directed by Frank Corsaro...

WEST GERMANY

Cologne, Güzrich: Güzricher Orchestra, conducted by Yuri Ahronovitch, Albert Weissenberg, piano...

NEW YORK

New York Choral Society (CAMI Hall): The summer-long series ends with Robert DeCormier conducting an all-Sachs programme...

CHICAGO

Ravinia Festival: Kalichstein-Laredo-Robinson Trio. Haydn, Mendelssohn, Tchaikovsky (Wed.)...

VIENNA

Treasures of Dusseldorf Art Museum: cross-section of European artistic development throughout the thirteenth century...

BERLIN

Berlin, Bode-Museum, 14 Klempnerstrasse: Opening tonight of an exhibition series dedicated to Wassily Kandinsky...

MÜNCHEN

München, Museum, 3 Miesbachstrasse: Roughly 100 architectural designs, graphics and photographic documents by Friedensreich Hundertwasser...

ITALY

Venice, Arzuffini: This year, the historical section of Venice's Biennale offers a large and splendid collection of painting, sculpture, furniture and pottery dating from the Venetian Renaissance...

TOKYO

New Stone Age Earthware from Shion Collection: 300 items of pottery from the Jomon period (about 4000-250 BC)...

PARIS

Charles Schneider - an artist with glass and a magician with colours: began with Art Nouveau and its formal themes to become a pioneer of Art Deco...

Black moments on the silver screen

CINEMA is the only artistic form in which badness sometimes attains mythic stature. Being at the same time both larger than life and mass-produced, movies can purvey the lowest common denominator, while keeping the highest possible profile...



WORST FILMS

Beyond the Valley of the Dolls Exposed History Lessons The Human Factor O Thiasos La Pirate Plan 9 From Outer Space Up in Smoke The Wife Contract The Wiz

The Angelopoulos's O Thiasos (or any of his films except The Travelling Players). Angelopoulos is the Greek director whose slow-paced films make you want to go out and do something more exciting...

With the one illustrious exception, his epic minimalist style delights in characters taking 10 minutes to walk across a Greek hilltop or 15 minutes to lift a spoonful of moussaka to their mouths...

musical comedy movies, this song-and-dance version of The Wizard of Oz is, at once timeless, jokeless and doesn't move. It is also the only film to star Diana Ross and Michael Jackson and Lena Horne and yet to perform like a lead balloon at the box office...

Treats/Mill at Sonning

Christopher Hampton's Treats, first seen at the Royal Court in 1974, has a very simple theme, a woman's choice between two men. There is no hint of a sub-plot or anything like that...

is clever, and dull, and above all uncertain. His sentences, even when it seems possible that they may make sense, are likely to be left unfinished. (Mr Hampton has in fact more or less brought him in from an earlier play, The Philanthropist...

As Ann, Catherine Owen emphasises her neutrality by keeping her face rigidly expressionless, like one of Landseer's lions in Trafalgar Square. She has to weep, she turns her face away from the audience, let us should see that she is capable of registering emotion. Sometimes I felt that I was just overhearing a read-through...

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY  
Telegrams: Finantime, London PS4, Telex: 8954871  
Telephone: 01-248 8000

Friday August 24 1984

Second try by the left

FOR THE second time in two months, the left-wing officials who speak for the dockers in the Transport and General Workers' Union are threatening a national strike which is essentially in support of the miners—or more narrowly, in support of the efforts of the Scottish miners to restrict supplies to the Ravenscraig steel works.

Both sides seem on this occasion to have drifted more or less helplessly into a situation which nobody concerned seems to want, and which reflects little credit on anyone except the steelworks of Ravenscraig, who are naturally determined to do all they can to protect their own jobs—not to mention those of the dockers and miners who threaten them.

The union's action can only be understood in terms of power and politics. It can hardly be expected to bring the Government to its knees, but it is a signal to the British Steel Corporation itself recently wished to close down, if a national dock strike, if the call is made and proves successful, could it be prolonged force the breaking action to protect the economy at large. The whole strategy of Mr Arthur Scargill and his sympathisers on the hard left is to provoke the angriest possible confrontation, and so they hope, to revive flagging working-class solidarity. The strike threat cannot therefore be described as irrational; but we hope that ordinary working dockers understand the game they are being invited to play.

Issues

In this respect the new threat is not quite like the one which arose two months ago. At that time the union could still talk credibly of a possible Government threat to the dock labour scheme itself, and non-union labour had actually been invited to do dockers' work at Immingham. This time round both the Government and the employers are publicly committed to the scheme, and there has been no "sabotage".

The ostensible issues here—the fact that ship berthed without tugboats, and that steel

workers did their normal work without supervision from dockers—cannot possibly be described as a threat to dock employment. It is simply about the power of trade unions to force "blacking" in support of other unions. This is hardly a great national cause; it is also, as it happens, a civil offence under existing law.

The law can hardly be mentioned without drawing attention to the Government's remarkably passive role up to now. It has had enough pragmatism to restrain the steel industry from protecting its interests in the courts, but not enough to dissuade it from taking what was known to be provocative action almost on the eve of the TUC's annual conference. It is at this conference that Mr Scargill is due to make his last-ditch attempt to broaden the pits dispute into some form of national disruption. If a dock strike is in progress at the time, the deep and potentially vicious divisions in the movement will be sharpened.

Bitterness

Only the foolish will derive any satisfaction from these divisions. The militant, embattled Left may not be representative, but it still has immense powers to disrupt; and embittered inter-union relations can halt the progress towards realistic, flexible and constructive labour relations which has been made recently. Everyone knows that it will be desperately difficult when the fight is over, to restore decent working relations in the mines. It will be damaging for everyone—not least the unions—if such bitterness becomes more widespread.

It is still possible that the problem will resolve itself—that the response to a strike call will be very limited, that the union will satisfy itself with a short demonstration of solidarity (which might be more widely supported) or that the strike, like the last, will be very brief. It would be inappropriate to rely on such hopes, though; and if a strike is mounted, both the TUC and the Government should move urgently for conciliation. If all the activity is confined to the militia's commonsense has little chance.

Weizman's straw for Shamir

MR EZER WEIZMAN, a former Israeli defence minister, has pledged the support of his Yehad party to Mr Shimon Peres and the Israeli Labour Party in their efforts to build a new Israeli Government. The development gives Mr Peres a sporting chance of constructing a fragile coalition himself, instead of continuing the weary negotiations on a government of national unity with the right-wing Likud party led by the outgoing prime minister, Mr Yitzhak Shamir. Such a national unity government has not been ruled out; but on balance a Labour-led coalition now seems the most likely outcome, and the most hopeful one as well.

The talks about the national unity government have been barren. Likud and Labour remained at odds on future policy on the West Bank—whether the building of settlements should be halted or continued, and whether Israel should be ready to surrender any of the territory in the West Bank and Gaza strip in negotiations with King Hussein of Jordan.

Above all, there was not a sufficiently strong message of concern from the electorate at large to force the party leaders to settle their differences. Surprisingly for someone who is effectively to be in charge of a retail group that has more space than Marks and Spencer, Burton's and British Home Stores combined, Mulcahy does not have a retail background.

Armed with a chemistry and physics degree his career has been largely spent with Esso and the British Sugar, where he met Beckett.

Mulcahy does not think you need to be brought up a retailer to run a large group such as Woolworth's. "The job is about managing change and developing strategy," he tells me, "and making sure we offer a consistency of approach."

On the West Bank one would hope that a Peres government would halt the construction of new settlements and limit development to places where Israelis are already established. It is most unlikely that a Labour Government, even one with a handsome majority, would move to dismantle settlements as part of a territorial compromise. But Labour's policy would be a less open affront to both the inhabitants of the West Bank and the Arab world as a whole than Likud's and would make the prospect of a resumed peace process a little more credible.

In contrast to Likud, Labour is willing to consider a trade of some occupied territory for guaranteed peace. If Mr Peres were able to assemble a coalition it would therefore offer a slim chance that a newly-elected President Reagan could pursue with King Hussein in Jordan the 1982 peace plan which Likud so roundly rejected. The political basis for such a venture provided by a Labour coalition could hardly be described as solid, but the solidity of the alternative government of national unity promises to be the solidity of deadlock.

FORTRESS FALKLANDS



The two faces of the Falklands: Sheep farmer Bill Luxton, and British troops, examining a piece of Argentine artillery on Mount Longdon.



A LONG THE waterfront in Port Stanley, the Falkland Islands' only two major monuments in remembrance of the two world wars have been joined by a third. The Liberation Cross paid for by the islanders as tribute to the British Task Force is the most immediately visible reminder of what occurred during three traumatic months in 1982.

For the lasting impression of Stanley today is of a small backward community not so different from an isolated township in the wilds of Scotland with inadequate housing and an indigenous population of less than 1,500. Their only refuge from the bitter Antarctic winds are their peat fires or the local pubs in which they can drown their boredom.

Photographs of dead Argentines are prohibited

worry about inflation, and who can hardly put two words of Spanish together. Periodically British fighter jets screech along the estuary and the drone of transport aircraft echoes across the barren hills. You can scarcely walk along a street at daytime without bumping into a soldier. At least two of the pubs have been taken over by the troops. The new "military" force of the Falklands is at its most striking on the road that leads to the airport and the airport itself. There is also the command headquarters built above the old Government House in a position which neatly symbolises the pre-eminence of the Armed Forces. From here the island's new military Commissioner General, Major-General Peter de la Billiere, co-ordinates the defence of the islands, the perceived threat from Argentina. His last job was

director of the Special Air Service (SAS). The troops are no longer billeted in Stanley—as they were for at least a year after the war. But the islands' jagged coastline is protected by isolated detachments of Coldstream Guards, some half a dozen frigates, a nuclear submarine, and two converted tugs used as patrol boats by the Royal Marines. The term Fortress Falklands, is an exaggeration. Nevertheless the military presence and the effect it has had on the islands as a whole should not be underestimated.

Arriving by air, it seems at first as if the island is actually under military occupation. Stanley airport, badly damaged during the war, has been rebuilt and reinforced as the Royal Air Forces' current main base. The transit lounge is usually packed with soldiers occasionally screaming into a semblance of order by the sergeant on duty. Incoming passengers—civilian and military—are presented with a typed sheet of paper, warning that many of the fields in the area are out of bounds because of mines. Those leaving are handed a list of prohibited items, which includes empty artillery shells and photographs of dead Argentines.

Outside the main building the airport's single runway is flanked by hangars filled with Phantom fighter jets and Harriers. They are protected by Rapier, anti-aircraft guns and an array of additional equipment shrouded in camouflage nets. The Phantoms combined with three new early warning radar systems are the island's first line of defence. They virtually guarantee that any fully fledged military invasion similar to that conducted on April 2 1982 could not be carried off without a great deal of bloodshed.

Supporting the airport, its surrounding buildings and the rest of the estimated 4,000 troops on the islands is the military's new floating dock built at a cost of £22m by the Navy's Midland Shipyard. With monthly imports of over 5,000 tonnes and exports of 2,500 tonnes, the dock's current annual trade flow is about £30m. The dock's 8,000 square metres of warehouse facilities ensure that the troops on the islands are permanently supplied with ammunition, petrol and almost every product imaginable, ranging from bars of soap to souvenier stuffed penguins, and including a generous list of alcoholic drinks and foodstuffs, both frozen and fresh. The total stock value at any one time is

'When you have looked down the barrel of a gun, there's no hurry to shake hands'

By Jimmy Burns, recently in Port Stanley

put at £12.5m. The floating dock is proudly held up by the military as a symbol of efficiency and cost-consciousness. It is said that it will pay for itself within a year because fewer ships will be needed to supply the garrison and their turn-round time will be far faster.

The dock, however, has come dangerously close to upsetting the good relations with the island population which the Army has worked so hard to foster. Most of the troops have managed to live on the islands without vastly disrupting the islanders' lives in marked contrast to the damage wrought by a modern airport capable of linking the Falklands to the outside world on a regular basis would be a key part of any plan to put the fragile local economy on a more stable footing.

The £215m new airport is costing far more than the £30m-£35m Shackleton estimated, but despite British insistence that the airport will pay for itself within a few years, there have been no further details offered about possible non-military uses. Wider political considerations appear to be behind official reluctance to publicly discuss the future character of Mount Pleasant. There is much local talk that the airport could

present runway at Port Stanley is unable to take any wide-bodied jets and thus involves a costly airbridge link with Britain. Hercules transports which have to be refuelled in flight between Ascension Island and the Falklands.

Once the airport is built, so the argument goes, the garrison will be able to be run down, thus reducing the cost to the British taxpayer of the current defence commitment in the islands.

Most islanders see the new airport at Mount Pleasant as the most visible proof of Mrs Thatcher's determination to retain sovereignty. Yet there has been surprisingly little local discussion about the impact the new airfield could have on the islands.

Lord Shackleton was only the most recent advocate of the islanders' development to insist that a modern airport capable of linking the Falklands to the outside world on a regular basis would be a key part of any plan to put the fragile local economy on a more stable footing. The £215m new airport is costing far more than the £30m-£35m Shackleton estimated, but despite British insistence that the airport will pay for itself within a few years, there have been no further details offered about possible non-military uses.

become a major listening and control post of particular importance if the Panama Canal is cut off and links between South America and Western Europe need to be maintained around Cape Horn. Equally there is talk of the airport as a staging post for British exploratory expeditions to Antarctica in the 1990s.

But for the moment all this is speculation. It is clear that construction has proceeded with remarkable speed and that the British Government seems in no hurry to complicate any negotiations with Argentina by being too specific about the airport's purpose.

The estimated £23m earmarked for the garrison and the replacement of lost equipment over a five-year period (1982-87) is certainly in striking contrast to the £30m which will be spent over the same period on the development of the islands. Local officials admit privately that the sums set aside will not be sufficient to bring about a major transformation of the island economy. The money is likely to be adequate only to keep the population that was taking place before the war.

Last year islanders who left for the UK during the conflict returned and there were 40 new immigrants. But a trickle of disillusioned islanders has been leaving Stanley in recent months. "We are not expecting mass immigration or mass investment in the future. The best we can hope for is to get some more islanders back," says Mr Simon Armstrong, the general manager of the Falklands Island Development Corporation which was set up recently by Whitehall and the local government to supervise and finance economic change on the islands. It is part of a general revamping of the island administration which has included the appointment of Mr David Taylor, an energetic former director of Booker McConnell to the post of chief executive. Mr Taylor advises and co-ordinates with Sir Rex Hunt, the Civil Commissioner, on local policy issues.

expected to continue in the future at a rate of about two farms a year. For the moment, however, officials appear reluctant to implement the more far-reaching agricultural reforms recommended by Lord Shackleton, preferring to operate along lines already established in the past.

Thus, two and a half years after the war, the position of the Falklands Island Company in the island economy remains virtually untouched. The FIC produces over 40 per cent of the islands' wool, operates the main civilian internal and external cargo service, and owns Stanley's main supplies store, the West Store.

In the past the FIC was the whipping boy for the island's underdevelopment, but since the war its officials have gone out of their way to underline their commitment to the islands' future and their adaptability to the changing circumstances. "You could say that change has been forced upon us," says Mr David Brittan, the FIC's recently appointed general manager.

FIC officials point to new machinery, horses, sheep and a new school at the main settlement in Goose Green as evidence of their commitment. But most of this simply replaces material destroyed in the war and financed by a £15m government compensation scheme. There is not much sign of new investment by the company's parent Coaltite. The FIC's most significant new move so far has been in fisheries. It has signed a contract with the Japanese company Taiyo Jointly to investigate the potential of the islands' fishing grounds. The agreement and conservation of fisheries in the area is joint exploration in collaboration with Argentina. To declare the fishing zone would create a new source of tension and incur additional surveillance costs.

Houses without electricity and running water

government compensation scheme. There is not much sign of new investment by the company's parent Coaltite. The FIC's most significant new move so far has been in fisheries. It has signed a contract with the Japanese company Taiyo Jointly to investigate the potential of the islands' fishing grounds. The agreement and conservation of fisheries in the area is joint exploration in collaboration with Argentina. To declare the fishing zone would create a new source of tension and incur additional surveillance costs.

New look in store

The man who is to guide the fortunes of Woolworth's for the next five years, with the aim of bringing some of the sparkle back to Britain's largest store chain, is to be 42-year-old Geoff Mulcahy.

He has been made chairman and chief executive of the 800 or so main Woolworth stores in the High Streets as well as becoming managing director for the whole group.

This includes large superstores, the B and Q do-it-yourself chain, and the recently acquired Comet electrical stores.

Mulcahy has been close to Ron Beckett, chairman of Woolworth since a financial consortium bought the stores chain from its U.S. parent in late 1982.

Surprisingly for someone who is effectively to be in charge of a retail group that has more space than Marks and Spencer, Burton's and British Home Stores combined, Mulcahy does not have a retail background. Armed with a chemistry and physics degree his career has been largely spent with Esso and the British Sugar, where he met Beckett.

Men and Matters

and video production companies. What if Video Arts decided to invest in the new privatised BBC? Hassan finds himself back on the board? Whatever happens, Hassan is going out on a high note. The latest batch of films which the NFFC helped to finance are looking good. "Another Country" is said to be doing exceptional business in New York and Los Angeles, and there are high hopes for "Dance with a Stranger," based on the life of Ruth Ellis, the last woman to be hanged for murder in England.

The film, produced by Roger Randa Cutler, was directed by Mike Newall from a script by Shelagh Delaney. It was chosen on the basis of early rushes for the gala performance at the Toronto Film Festival.

Food for thought

A dozen journalists launched with evident pleasure in London yesterday on morsels of "chicken, cold meat pie and steak pie" produced by RHM, the bakers, in its laboratories at High Wycombe. It was a meal rich in protein, high in fibre, low in fat and devoid of cholesterol, according to RHM scientists—and, of course, did not contain a bit of meat or poultry. For 20 years RHM has persevered in pursuit of its dream of introducing a truly novel food, and now embarks on what it happily describes as "a joint venture" with ICL called New Era Foods. The Government is chipping in £1.5m in the cause of biotechnology.

Oil-seed

So many sunflowers have been sprouting on North Sea oil platforms this summer that rumour suggests many companies are extracting oil from them to produce bio-fuel. But the reason for the floral display turns out to be a competition, organised by McAlpine Humberston, the offshore engineering and construction company, to see who could grow the tallest and biggest sunflowers. Money raised from the contest is going to the Royal Scottish Society for the Prevention of Cruelty to Children.

Thirty-three oil and gas platforms took part—and two-thirds of them managed to raise sunflowers well over one metre tall. But BP Forties Bravo grew the tallest flower at 4.58 metres, and British Beatrice AP cultivated the biggest flower with a diameter of 60 cm.

Tales of sabotage attempts are rife among the growers. One swears his flowers were decapitated by a predatory helicopter whose pilot observed: "It's a lot less bovine with a hover."

Water-line

From the Irish Times: "Water restrictions have been imposed in some parts of the country because of drought. We cannot confirm the story, however, that a notice has been displayed in a swimming-pool somewhere in the south-west saying: 'Because of water shortages, lanes one, two, seven and eight have been closed.'"

Off screen

Mamoun Hassan, managing director of the National Film Finance Corporation is privatising himself. Hassan, anticipating action by the minister for films, Kenneth Baker, resigned earlier in the summer. This was just before the long-awaited film industry White Paper which recommended replacing the NFFC with a private company. Hassan is joining Michael Peacock's video and film independent Video Arts Peacock, former chief of programmes at BBC2 and Controller of BBC1, plans to push ahead into feature films and Hassan will produce several films and supervise the production of others.

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	10 1/2%
Allied Irish Bank	10 1/2%
Amro Bank	10 1/2%
Henry Amsbacher	10 1/2%
Associates Cap. Corp.	10 1/2%
Banco de Bilbao	10 1/2%
Bank Hapoalim	10 1/2%
BCCI	10 1/2%
Bank of Ireland	10 1/2%
Bank of Cyprus	10 1/2%
Bank of India	10 1/2%
Bank of Scotland	10 1/2%
Banque Belge Ltd.	10 1/2%
Barclays Bank	10 1/2%
Beneficial Trust Ltd.	11 1/2%
Brit. Bank of Mid. East	10 1/2%
Brown Shipley	10 1/2%
CI. Bank Nederland	10 1/2%
Canada Permitt Trust	10 1/2%
Cayzer Ltd.	10 1/2%
Cedar Holdings	12%
Charterhouse Asphalt	10 1/2%
Choularous	12 1/2%
Citibank NA	10 1/2%
Citibank Savings	11 1/2%
Clydesdale Bank	10 1/2%
C. E. Coates & Co. Ltd.	11 1/2%
Comm. Bk. N. East	10 1/2%
Consolidated Credits	12%
Co-operative Bank	10 1/2%
The Cyprus Popular Bk.	10 1/2%
Dunbar & Co. Ltd.	10 1/2%
Duncan Lawrie	10 1/2%
E. T. Trust	11 1/2%
Exeter Trust Ltd.	11%
First Nat. Fin. Corp.	14 1/2%
First Nat. Secs. Ltd.	13%
First Nat. Fleming & Co.	10 1/2%
Robert Fraser	11%
Grindlays Bank	10 1/2%
Guinness Mahou	10 1/2%
Hambros Bank	10 1/2%
Heritable & Gen. Trust	10 1/2%
Hill Samuel	10 1/2%
C. Hoare & Co.	10 1/2%
Hongkong & Shanghai	10 1/2%
Kingsnorth Trust Ltd.	10%
Knowles & Co. Ltd.	11%
Lloyds Bank	10 1/2%
Mallinhal Limited	10 1/2%
Edward Manson & Co.	12%
Meghraj and Sons Ltd.	10 1/2%
Mirdan Bank	10 1/2%
National Grenfell	10 1/2%
National Bk. of Kuwait	10 1/2%
National Girobank	10 1/2%
National Westminster	10 1/2%
Norwich Gen. Tat.	10 1/2%
People's Tat. & Sv. Ltd.	12%
R. Raphael & Sons	10 1/2%
P. S. Refson & Co.	10 1/2%
Roxburgh Guarantees	11 1/2%
Royal Trust Co. Canada	10 1/2%
J. Henry Schroder Wagg	10 1/2%
Standard Chartered	10 1/2%
Trade Dev. Bank	10 1/2%
TCB	10 1/2%
Trustee Savings Bank	10 1/2%
United Bank of Kuwait	10 1/2%
United Mizrahi Bank	10 1/2%
Volkswagen Limited	10 1/2%
Westpac Banking Corp.	10 1/2%
Whiteaway Ltd	11%
Williams & Glyn's	10 1/2%
Wintrust Secs. Ltd.	10 1/2%
Yorkshire Bank	10 1/2%

Well not so

"WERE not a moderate union," says one senior official of the Electrical, Electronic, Telecommunications and Plumbing Union with pride and relish. "We're a right-wing union!"

Such aggressive certainty is characteristic of the EETPU: the unique blend of the union attracts controversy like a magnet. It is steeped in its past, yet more than most unions, looking hard towards its future, drawing together within itself such disparate elements as microchip workers and medieval guild remnants.

The particular issues change, but all are rooted in the margins of the union's near-formal isolation from much of the UK trade union and labour movement, and its own rock-solid belief in a link between its leaders and members.

Current controversies include its sharp and public criticisms of both the morality and practice of the miners' dispute, especially its accompanying violence; the EETPU's so-called "no-strike" agreements, often with Japanese companies; and its attempt to secure the TUC's re-commitment to Nato. All these will once again thrust the EETPU into embattled prominence at the TUC Congress in 10 days.

At last year's TUC, the EETPU was on top—at least partly because Frank Chapple, its outstanding and antagonistic general secretary, was TUC president. At the culmination of his trade union career—Mr Chapple is due to retire after this year's TUC Congress—he set the tone in the Labour's shattering electoral defeat in June 1983 for a thorough re-examination of trade union policies and practices that came to be called the "new realism."

Now, EETPU leaders recognise that succeeding events—the NGA dispute, GCHQ and the miners' strikes—have dealt the new mood a devastating, possibly fatal blow. But they argue vociferously that the problems which new realism attempted to counter will not disappear.

Internally, more than most unions, the EETPU has done so. Following the pivotal court battles 25 years ago which finally ripped out of the union its corrupt, Communist leadership, an incomparable turning point for Mr Chapple, still says now—the right-wing leadership set about root and branch reform of the union.

In reply, the union's leaders



The present and the future: Frank Chapple (left) and Eric Hammond

Britain's electricians

A union that marches on its own

By Philip Bassett, Labour Correspondent

point to the EETPU's unrivalled computer-based direct communication with and reflection of its 395,000 members—not its activists who, left or right, are by definition unrepresentative, in the EETPU's code.

Externally, its most notable responses to change have been its drive, followed by other unions, to recruit members in the "sunrise" new technology industries, and its pioneering of "no strike" deals.

Roy Sanderson, the EETPU's succinct, pragmatic and highly competent engineering officer, seems to embody the spirit of business or enterprise unionism for which the EETPU is abused by the left.

Mr Sanderson is the principal architect of the "no-strike" deals. "They are an attempt to find a new way of solving disagreements between the company and the trade union," he says. "Normally we solve them in Britain by a trial of strength" which often damages both the company and the employees.

He is aware that they are a

gamble. "They may fail. These agreements may fall flat on their face and in a few years' time the people in these companies may return to the same old bad habits that we have had in Britain for decades," he says. "That's a possibility. But even if that happens the experiment has been worthwhile."

The EETPU's top-level union critics are more idealistic, seeing these deals as conceding fundamental rights which are not the EETPU's to sell.

But on the shopfloor, employees working under such agreements take a more practical view. Mrs Joan Griffiths, EETPU shop steward at Toshiba, where the first of these deals was struck, says: "It's no good my going in and asking for a £20 a week rise if I know that our profit is way down, because I would know then that the job security of which we are aware and fighting for is going to be down the drain."

Such initiatives as these and the EETPU's extensive commitment to union education

help to draw a plethora of endorsements: Mr Tom King, Employment Secretary, "warmly welcoming" the union's training standards; Sir Walter Marshall, chairman of the Central Electricity Generating Board: "Your union is a haven of commonsense and rational thought"; Mr Neil Kinock, Labour's leader, "most impressed by the EETPU's education work; and Mr Harry Rodgers, personnel director of Plessey: "They are probably the best union we deal with."

But they also prompt the most savage criticism in the union movement. "The EETPU, and Chapple in particular, are an embarrassment," says one senior union left-winger. "Not just to people like me—but to the centre, and even the right." No, says a right-winger—but "it has been a bit clumsy in recent years. 'Genuinely eccentric,' says one general secretary.

Characteristically, the union hits back in kind. Mr Chapple, in his forthcoming autobiography, "is scathing about

room practice that the decision to appoint non-executive directors is almost always that of the chief executive and his board of full time executive directors. In Germany and France, and even in the United States non-executive directors are appointed by the shareholders of companies whose corporations these shareholders will often be the institutions. Unfortunately financial institutions are somewhat reluctant to interfere in the day to day running of companies by wishing to appoint non-executives. Banks in particular tend to hang back until disaster threatens, when it is too late.

Among the drawbacks of proposed EEC company legislation such as vetoing and the fifth directive are the fact that they put the cart before the horse. If British boards of directors have their weaknesses, it is not because of the absence of representatives of the work force or even because of insufficient consultation but the absence from too many board rooms of people appointed by shareholders to take a dispassionate look at the present running and future developments of the corporation.

M. I. Webb-Bowen, 27a, James Street, WC2.

This little piggy...

From Master M. Spinks  
Sir,—I cannot save £1 coins in my piggy bank like Dr Gerhard from the Royal Mint says (August 15) because my piggy bank is a Midland Bank elephant and the opening for the money is not big enough!

Michael Spinks, Tustons, 196, Leasons Hill, Chislehurst, Kent.

Appointed by shareholders

From the Managing Director, Webb-Bowen International.  
Sir, Jonathan Charkham (August 9) quite rightly argues that non-executive (or independent as he calls them) directors should be regarded as an essential presence on any board. Unfortunately, in Britain at the moment they are regarded as something unusual, even as a sign of "progressive" thinking on the part of those companies who have them.

Yet it is perhaps one of the weaknesses of British board-

Common Market in cars

From the Director, Society of Motor Manufacturers and Traders

Sir,—Your leader "Common Market in cars" (August 21) causes me great concern because it presents only one side of a complex argument.

You quote the figures produced by the European Bureau of Consumer Unions (EBCU) in support of your argument. These figures must be treated with caution since the nine cars chosen are all low volume, high specification models, only one of which is manufactured in Britain, and which together accounted for less than 2 per cent of the UK car market in the first half of this year.

The so-called 12 per cent clause will not bring retail prices into line throughout the Community as long as tax paid on the purchase of a vehicle can vary from 14 per cent (West Germany) to 215 per cent (Denmark).

In the last sentence of your leader you acknowledge the present trend towards lower car prices in the UK. You give no credit to the improved competitiveness of the British-based industry. The painful restructuring of the industry and its undoubted achievements may well prove to have been to no avail

Letters to the Editor

If precipitate, ill-considered action is taken.

Anthony Fraser, Forbes House, Halkin Street, S.W.1.

Settling disputes peacefully

From the Director-General, Institute of Directors  
Sir,—I was very interested to read Eric Hammond's letter (August 20) prompted by the recent IoD paper "Settling disputes peacefully," on the role of final offer arbitration in binding procedure agreements.

The objective is to stimulate debate on ways to improve industrial relations in Britain. Our suggestions are not presented as a panacea, but we do believe that we have identified the direction in which we should move. An increasing number of people, including many of the trade union movement, like Mr Hammond seem to share that belief.

We fully understand that binding procedure, or final offer arbitration forms part of a total package in the agreements entered into by the Electrical, Electronic, Telecommunications and Plumbing Union. We congratulate the arbitration issue because we believe, in the light of evidence from the United States, that this method of settling disputes could have application in the essential services in Britain. I would cer-

tainly agree with Mr Hammond that final offer arbitration in the private sector could not be divorced from other elements of an agreement.

We all have an interest in exploring ways in which disruptive action, with its threat to profitability and jobs, can be avoided. Employers will no doubt be looking closely at the EETPU agreements to see how they work out in practice.

Our first aim, therefore, is to stimulate open discussion of the issues, not least with those trade union leaders who recognise that the prosperity and welfare of their members depends on finding less damaging ways of settling disputes.

(Sir) John Hoskins, 116 Pall Mall, SW1.

Bootle as a no-go area for Health and Safety inspectorate

From the Assistant General Secretary, Institution of Professional Civil Servants  
Sir,—David Evans' sanguine speculations (August 10) about increased productivity in the Health and Safety Executive ("How a little camaraderie helps boost productivity") will not bear the weight of close inquiry. Successive Government spending cuts have left HSE's inspectorates more than 25 per cent below their targeted strength. HSE has either abandoned large areas of Asbestos Licensing, where public opinion will not permit a retreat; it has cut the public's protective suit according to the cloth it has been provided with. Perhaps a quarter of the country's farms will never receive a safety visit from an HSE Inspector, and the Nuclear Installations Inspectorate is able to resource the Sizewell inquiry only by abandoning

other areas of nuclear work. Morale is at a historically low ebb. The Director of HSE's corporate services is a lonely figure in discovering increased morale and productivity. Dispersal has in fact been the expensive occasion for a disastrous decline in productivity.

The HSE admits that dispersal was thrust unwanted upon it. Its quoted cost of £21m in 1980 prices, and Government Ministers have to this day refused to provide a contemporary estimate of dispersal costs, and have declined to provide any information as to the extent to which the original estimates reflect recurrent as well as immediate costs. Apart from continuing compensatory payments to uprooted staff, HSE is faced with the necessity of maintaining a large presence in London as well as Bootle. Increased communication costs thereby incurred include (re-

current) time and expense of thousands of first class rail journeys, overnight accommodation, as well as the capital cost of telephonic and telegraphic equipment. It would be interesting for Mr Evans to provide a breakdown of savings set against increased costs, and for him to say over what period the savings are expected eventually to wipe out the costs of dispersal.

This institution has published a case outlining the dangers of allowing the dispersal to Bootle of the nation's nuclear watchdog. It has submitted similar evidence to the Sizewell inquiry which has not been contested. The Select Committee on Energy and the Advisory Committee for the Safety of Nuclear Installations have separately recommended that unless a convincing case can be put forward it should be halted. A former Director-General of the Health

and Safety Executive has admitted that this dispersal was not one which the Executive would have willingly chosen. Chief nuclear inspectors have expressed their misgivings. In a recently conducted poll over 95 per cent of NII staff expressed a total refusal to move. The National Audit Office is currently undertaking its own investigation into the move, and Mr John Gummer, the Minister of State responsible recently, announced that the dangers of allowing the large numbers of NII staff to disperse were so great that he had temporarily shelved the plans for their move. No case for ultimate packing the NII off to Bootle has ever been made out, any where, by anybody, at any time. D. A. Cooper, 75-79, York Road, SE1.

and Safety Executive has admitted that this dispersal was not one which the Executive would have willingly chosen. Chief nuclear inspectors have expressed their misgivings. In a recently conducted poll over 95 per cent of NII staff expressed a total refusal to move. The National Audit Office is currently undertaking its own investigation into the move, and Mr John Gummer, the Minister of State responsible recently, announced that the dangers of allowing the large numbers of NII staff to disperse were so great that he had temporarily shelved the plans for their move. No case for ultimate packing the NII off to Bootle has ever been made out, any where, by anybody, at any time. D. A. Cooper, 75-79, York Road, SE1.

almost everyone, even those who might be his supporters: Clive Jenkins is a "pipsqueak"; Neil Kinnock a "political clown"; Ferry Duffy not one of nature's great tacticians"; Tony Benn a "political knave and double-dealer"; David Basmitt "so often weak and vacillating"; Arthur Scargill a "big-mouth and a raging egomaniac."

Populist, charismatic, rough, Mr Chapple comes from the hard school of the Communist Party which he now loathes and can both give and take the knocks. "I'm the man they all love to hate," he says. Belligerent and autocratic, his belief in the supremacy of the ordinary union member is unswerving.

Mr Chapple's departure from the union and the TUC will leave a gap which will be filled, though in a different way, by Eric Hammond, general secretary-elect.

Mr Hammond is in Mr Chapple's mould—he describes, for instance, political strikes as "total nonsense" and raised hackles by describing miners' leaders as "nursery revolutionaries"—but he is no clone. EETPU colleagues see him as more opaque than Mr Chapple, and less acidic. As one union general secretary said: "Eric says the same things as Frank but he says it with a smile."

Both are united behind the EETPU's theoretical principle. "The EETPU is different and proud of it," they say in their presentation document on the union which will form the backbone of the EETPU's unprecedented "sales" trip to Japan in October to woo companies to reach agreements with them.

The real challenge posed by the EETPU to other British unions lies not in its aggression, in its own vision of its democracy, in its politics—but in the work its members do.

"It's not just high-tech companies or no-strike deals," says one union competitor. "In most workplaces there is the increasing introduction of electronic technology in ordinary jobs—all of which needs maintenance people. That is their main growth area."

In a changing world, the occupational base of the EETPU's membership is more assured than most unions. As Mr Chapple says, with some doubt that other unions will be able to take his advice: "It might seem presumptuous to claim that ours is a model union."

"There is much more to be done by my successors, but we have worked with considerable success to remove the union's inadequacies and to innovate and to create a union for today and tomorrow. The rest of the movement might do worse than follow our example."

"Sparks Fly! A Trade Union Life," by Frank Chapple. To be published on September 3 by Michael Joseph; £10.95.

U.S. Treasury bonds

The difficulty of whetting foreign appetites

By William Hall in Washington

"WE HAVE no difficulty financing the U.S. deficit. We have been able to do it with no problem. The question is can we do it a little cheaper. We do not know the answer, but we intend to find out."

Thus Dr Beryl Sprinkel, U.S. Under-Secretary for Monetary Affairs, and one of the senior Treasury officials spearheading a public relations campaign aimed at convincing a sceptical international investment community that the Treasury is determined to sell more of its foreign debt to overseas customers.

At the last count, a mere 10 per cent of the \$186 trillion (billion billion) in outstanding U.S. Treasury borrowings was held by foreigners, and of this three-quarters was owned by official institutions. So the Treasury has plenty to shoot for if it is determined.

When President Reagan repealed the 30 per cent withholding tax on interest paid to foreigners holding U.S. Securities on July 18 this year, a shiver ran through the Eurobond market. The move was clearly designed to make it much easier for foreigners to buy U.S. bonds. Was this the death knell for the Eurobond market, it was asked.

After the initial excitement had died, it became apparent that the repeal of the withholding tax was only one of several obstacles—and certainly not the most important—which had to be removed if the Treasury was to stimulate a healthy foreign appetite for its paper.

Last week, Donald Regan, U.S. Treasury Secretary, unveiled the Treasury's plans for tapping the foreign markets for funds, in a brief three-page statement.

A few days later, the Internal Revenue Service (IRS) released its temporary regulations implementing the U.S. Treasury's decisions, and international investors and their advisers found to their horror that the IRS regulations came to over 100 pages with more to come.

The regulations have been described as confusing and ambiguous, and some investment bankers in New York, who have spent years working for the repeal of the U.S. withhold-

ing tax, even suggest that some rules are unworkable. The Treasury's big new weapon for tapping the overseas dollar markets is a registered obligation targeted at foreign markets. Ideally, this would have been in better form when the Treasury is permitted to market. However, sensitive to the political opposition that such an instrument would face, the Treasury has emphasised that it has no plans for such issues and the new securities will be sold as part of the Treasury's regular scheduled auctions, with the first coming as early as next month.

To make the new securities more attractive to traditional Eurobond investors, the U.S. Treasury plans to fit them with an annual interest payment, unlike normal U.S. securities, which carry six-monthly interest payments.

The problem of proving that the beneficial owners of the specially targeted issues are not U.S. citizens or residents is particularly difficult. An investor has a choice of holding the new security directly, or through a financial institution. In the first case, the investor's name will be known to the U.S. Treasury but in the second case it will not, and all that is required is that the institution holding the security certifies that the beneficial owner is not a U.S. citizen.

The U.S. Treasury argues that the certification is a relatively simple affair. For example, if Credit Suisse buys part of a targeted U.S. Treasury issue and then sells some of the paper, which it continues to hold in a nominee account, to an investor at Deutsche Bank Frankfurt, Credit Suisse is obliged to certify to the U.S. Treasury that the buyer is a non-American.

"They maybe telephone Deutsche Bank or get a piece of paper from them," said one U.S. Treasury official, who admits that the Treasury has not set any firm guidelines on

Notwithstanding the fact that one of the Treasury's prime objectives with its new debt financing techniques was to encourage a more international role for the world's capital markets. The new rules appear to increase the segmentation in the financial markets. On the one hand, the Treasury is allowing the issue of bearer bonds by U.S. corporations, but is also insisting that if the bearer bond is subsequently bought by a U.S. citizen, it has to be converted back into registered form. This undermines the liquidity of the secondary market for such bonds. In addition, there is a danger that U.S.-owned institutions will be subjected to tougher scrutiny by the IRS than foreign firms.

If foreign investors are aware that the IRS can make a check call on a U.S. broker's London office, they will be tempted to push their business through offices of brokers less susceptible to the IRS's scrutiny.

The U.S. Treasury appears to be somewhat shocked by the early criticism of its efforts to make its funding base more international, but it admits its initiative is very much an experiment. What remains unclear is whether the Treasury has the will to risk the wrath of Congress by substantially modifying its plans to raise money overseas if the present initiative fails, as seems likely.

Would you really want to recruit a Chief Executive who doesn't read the FT? Does it surprise you that the FT reaches more Chief Executives in the UK than any other quality national newspaper? It shouldn't. With our comprehensive and authoritative coverage of business trends, no self-respecting Chief Executive can afford to miss our pages. You may also be pleasantly surprised to learn that advertising space on our Thursday Appointments pages is 30% cheaper than the Daily Telegraph and almost 40% cheaper than the Sunday Times. Do we need to comment further? Call Francis Phillips on 01-248 8000 for details.

recruitment No FT...no comment. \*The European Businessman Readership Survey 1984.

Associate Offices in New York and Antwerp.

**St. Quentin**  
Tel: 01-236 4040  
Telex: 8812619  
City, West End, Leeds & Brussels.

# FINANCIAL TIMES

Friday August 24 1984

**BELL'S**  
SCOTCH WHISKY  
**BELL'S**

## BALANCING DESIRE TO WITHDRAW WITH NEED FOR SECURITY

# Israel's dilemma in Lebanon

BY DAVID LENNON RECENTLY IN SOUTHERN LEBANON

ISRAEL is in a Catch-22 situation in Southern Lebanon, a senior Israeli officer admitted this week. It wants to withdraw but only after security arrangements have been made to ensure that Palestinian guerrillas will not again use it as a base for attacks on Northern Israel.

If, as appears certain, it cannot arrange this with the central Government in Beirut, then Israel needs the co-operation of the predominantly Moslem community of the South to enable it to minimise its troop presence there. But the continuing occupation and repression is alienating that community.

Before Beirut's abrogation in February this year of the 1979 Israel-Lebanon treaty signed in May 1983, Israel tried to avoid punitive measures which were likely to damage the region's economy and push larger sections of the Moslem population into open resistance.

Since the treaty was cancelled and last month's closure of the quasi-diplomatic Israeli liaison office near Beirut, the 750,000 mainly Shia Moslems in the South are being subjected to collective travel restrictions making them virtual prisoners in their own land.

Because of the hostility among sections of the Moslem community to the Israeli presence, it is that community which suffers most from the roadblocks, curfews, spot checks, midnight searches and random arrests which are part of Israel's method of trying to defeat the armed resistance.

Such repressive measures are in-

creasing the hostility of the community whose co-operation Israel needs if it is to get out of Lebanon. This is the Catch-22 to which the officer referred.

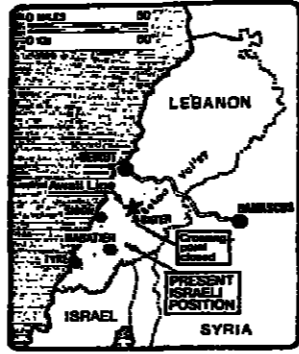
Israel, in the hope that it may eventually provide a way out of this self-made trap, is trying to build a local militia into an effective force able to take over most of the ground operations from the occupation army.

This militia is rather grandiosely referred to as the South Lebanon Army (SLA). It is based on the Israeli-backed South Lebanese Christian militia, which was commanded by rebel Lebanese Major Saad Haddad until his death in January this year.

Today the SLA is commanded by Antoine Lahad, a retired Lebanese major-general. Its force has been expanded to 2,200 men, with an ultimate goal of 4,000. Trained and equipped by Israel, which also pays the salaries, the SLA has six battalions, including an armoured one with 45 tanks and an artillery one with four batteries.

The SLA draws 85 per cent of its men from the 200,000 strong Christian community and 35 per cent from the more than three-times larger Moslem Shia, Sunni and Druze population. The aim is to make it half Christian and half Moslem but such a mix has proved very unstable within the official Lebanese Army, which splits asunder whenever asked to intervene in communal fighting.

It is only because of substantial



warnings and intelligence gathering stations inside Lebanon.

The senior officer said that the aim is to create an Israeli security zone in Southern Lebanon similar to that established in Eastern Lebanon by the Syrians. This would amount to permanent indirect Israeli rule in Southern Lebanon.

With or without the SLA, Israel's occupation of the southern third of Lebanon has often been described as similar to its occupation of the West Bank, which was captured from Jordan in the 1967 war and has been administered by an Israeli military government ever since.

Because of the use of the term "military government" connotes ties of a very binding nature, Israel has chosen to call its South Lebanon military administration a "liaison" or "assistance" unit.

A senior officer with the liaison unit for Southern Lebanon explained that "it is not a military government in the full meaning of the word and it doesn't function like the West Bank military government."

As examples of the difference, he notes that the public health service is still activated and funded by the central Government in Beirut. Israel is not involved in supplying electricity or water.

The similarities lie, he says, in the Israeli control of commercial and personal traffic, by road and through the ports of Sidon and Tyre. The unit also has a budget for infrastructure. The budget is mainly for roads and water supply in the strip of territory beside the border

## Peres in crucial talks on unity bid

By Our Tel Aviv Correspondent

MR SHIMON PERES, Israel's prime minister-designate, is this morning to meet Mr Yitzhak Shamir, the outgoing Prime Minister, to persuade him to bring his Likud bloc into a national unity government headed by the Labour Party.

Mr Peres, whose hand has been strengthened by his party's alliance with Mr Ezer Weizman, a former Defence Minister and leader of the Yehud Party, will try to form a narrow coalition if Mr Shamir does not agree to his offer.

Negotiations between the Labour Party and the Likud bloc on the creation of a national unity government have lasted for three weeks without producing agreement on a common policy.

Labour won 44 seats in last month's general election, three more than the Likud. Four smaller parties with a total of 10 seats have agreed to join a Labour coalition. Labour still needs the support of three more parties to command a majority in the 120-seat Knesset (parliament) without Likud.

The National Religious Party, whose four Knesset seats are vital if Labour is to form a narrow coalition, was insisting yesterday that it was interested only in a national unity government that included Likud.

Similar sentiments were voiced by the one-seat Tami Party. But such protestations are likely to be merely negotiating tactics designed to win more concessions from Labour in return for their support.

Editorial comment, Page 18

## THE LEX COLUMN

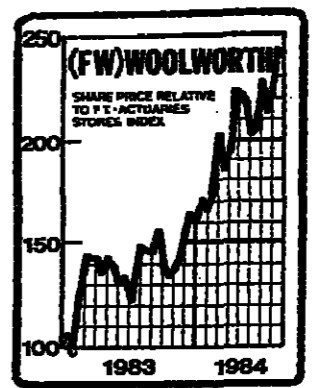
# Cadbury's block on Wall Street

The new numbers on Cadbury Schweppes' SEC registration papers ought to do the group no harm at all as it limbers up for a second run at the Wall Street share flotation which it postponed in May. Interim pre-tax profits of £39.7m, up from £33.5m, signal another half year of steady if unspectacular progress, albeit flattered a little by the absence of one or two problems which cost the group dearly in 1983. But assuming a successful launch for the new issue in prospect, most existing shareholders will presumably have their fingers crossed that growing U.S. interest in the stock might produce a gentle levitation over time.

At 130p, unchanged on the day, Cadbury's shares are set to offer a prospective p/e multiple some way short of those enjoyed by the group's leading U.S. rival, Wall Street might even view Cadbury's geographical spread as a mildly enticing dollar hedge in the sector. At least three factors, though, could well be seen as justifying Cadbury's lower rating against the U.S. competition - and all three will be around for some time yet, however shrewd Cadbury's growth strategy.

First is the sheer vulnerability of Cadbury in the U.S. Its market share there has grown again but it is still only about 6 per cent in confectionery. Schweppes' £27m trading profits represent roughly half the U.S. total. Second is the less than dynamic image presented by the continuing struggle to assert Schweppes' brand image in continental Europe and the low return on some of the group's key assets within the UK. An unhappy six months at Typhoo Tea, in particular, has helped leave the tea and food division's profits 5 per cent lower.

Third, is the stretched balance sheet, which must bear another sizeable cash outflow this year before taking account of the proposed issue proceeds. But these at least could cut the debt burden usefully and the implied interest savings would surely bring pre-tax profits of £125m within range for the current year.



U.S., and recovery in Chile, have helped to rebuild the profits total.

Investment in higher operating efficiency remains an uphill struggle; if Blue Circle eliminates some £10m of labour costs this year, that does no more than compensate for a year's cost inflation at about 5 per cent. Volume is so crucial to profitability, moreover, that the long-awaited UK price increase is beginning to look like being deferred for some while longer, to defend the home market against invaders. At 390p, down 8p yesterday, the share price expresses a degree of doubt over the chances of a profit-bounce in 1985.

too many stores and too little logic in its marketing.

The aim of the new management has been to start with the lesser task of introducing Woolworth to the world of normal commercial practice, and move to the big issues later. Woolworth's legendary overstocking problem, in particular, has been attacked with almost excessive zeal and the group now sees its basic housekeeping task as completed.

The new strategy, though, still covers a product range so vast as to suggest that Woolworth risks falling between the two stools of specialist chain and individual department store.

Narrowing the range must ultimately be an empirical process - one best achieved by developing management systems which can quickly determine, Marks & Spencer-style, which products are actually moving off the shelves. But it is encouraging to see the group maintaining momentum; for to stand still would be to slip back into the morass from which the present management is emerging.

**Exco**

Exco is not the greatest of enthusiasts for the London stock market, and the market's reaction to its half-year figures - 5 per cent off the share price versus a 37 per cent rise in earnings - indicates that the feeling just now is morbid.

After two rights issues in the past year this is not too surprising, and it says a lot about the City of London's view of Exco that five-sixths of the group's market capitalisation is represented by the value of its 52 per cent holding in Telerate - some £300m.

Given the encouraging way that Exco's other activities are apparently developing that treatment seems a trifle churlish, rights issues notwithstanding. Money making has regained its momentum in the more turbulent currency markets of the past few months, and Exco has taken full advantage of this trend by investing some of the rights money in a larger share of its existing New York operation. Telerate is doing all that Exco could reasonably ask of it; but its mushroom growth does present an impossibly stiff challenge to the rest of the group.

## Reagan set to 'fire up' faithful

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan planned to re-launch his "conservative revolution" in Dallas last night, staking his claim to four more years in the White House.

Mr Reagan spent yesterday attending prayer and campaign meetings and putting the finishing touches to the speech in which he was formally to accept his party's overwhelming mandate to run for a second four-year term as President.

His acceptance speech was to be the emotional climax of a four-day Republican national convention in Dallas, in which delegates from all over the country have shown supreme self-confidence that Mr Reagan and his vice-presidential running mate, Mr George Bush, will be re-elected on November 6.

His speech was intended to set the tone for a campaign that will be run on an unabashedly conservative platform and to "fire up" the party faithful for the hard, grassroots work required of them in the two months ahead.

Mr Reagan's formal renomination came on Wednesday night when the 47 votes of the Missouri delegation put him "over the top" in a lengthy roll-call vote of the states. The virtually unanimous outcome had never been in doubt.

White House officials said his acceptance speech was intended to blend patriotism with an aggressive, though not "strident," attack on the Democratic leadership of his challenger, Mr Walter Mondale.

Mr Reagan was expected to re-emphasise a theme repeatedly sounded in Dallas this week - that the Republicans are "the party of the future" - without necessarily spelling out full details of his political and economic plans.

Mr Reagan was renominated with the votes of 2,233 of the 2,235 delegates, with one abstention each from Illinois and Pennsylvania. Mr Bush won the votes of 2,231 delegates.

An Alabama delegate voted to nominate Mrs Jeane Kirkpatrick, the U.S. Ambassador to the United Nations, for vice-president. Republicans roll on "their perfect couple", Page 3

## UK's underlying trade deficit blamed on dock strike effects

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

BRITAIN'S trade balance probably moved into an underlying deficit in July, the Department of Trade and Industry said yesterday.

Latest figures show a recorded surplus on the balance of payments current account for the month of £112m (£147m) compared with a £153m surplus in June. But if allowance is made for the effects of the national dock strike which ended on July 21, the department estimates the current account would have moved into a small deficit.

It said it was difficult to be precise about the effects of the dock strike. However, it believed that exports were reduced by about £250m and imports by about £400m as a result of the stoppage.

Trade in oil was largely unaffected by the dispute, but the surplus earned on oil trade has been cut substantially by the increased consumption of oil by power stations as a result of the miners' strike.

Britain's oil surplus in the three months to July was an average of £120m a month, less than the average for the first three months of the year. This suggests that if the present miners' strike were to continue to the end of the year the adverse

	Current balance	Visible balance	Non-oil	Invisible balance
1982 Q2	5,774	4,555	-2,172	3,380
1983 Q2	2,924	7,001	-7,201	3,424
1983 Q3	89	1,556	-2,918	371
Q4	826	1,521	-1,759	1,076
1984 Q1	596	2,123	-2,116	561
Q2	836	2,316	-2,374	887
Q3	-442	1,548	-2,740	788
Jan.	-24	779	-1,042	265
Feb.	791	821	-359	286
Mar.	72	719	-1,003	289
Apr.	-57	910	-1,197	250
May	-29	512	-791	280
Jun.	153	956	-753	200
Jul.	112	794	-822	250

Recent invisibles figures are estimates, subject to revision

effect on Britain's current account would be about £1bn.

The department points out that the underlying level of imports of oil has been slackening in recent months.

Meanwhile, Britain's non-oil import continue to rise at a faster underlying rate than exports. The deficit on trade in goods other than oil was recorded as £322m in July. After allowing for the effect of the

dock strike it is likely that this would have been close to another record at more than £1bn.

Allowances for the effects of the dock strike suggest that the underlying value of non-oil imports rose by about 2 per cent in the three months to July compared with the level in February to April. At the same time, the value of non-oil exports rose by an underlying 1 per cent.

## Norway on verge of gas deal

BY DOMINIC LAWSON IN LONDON

THE BRITISH Gas Corporation and Statoil of Norway are on the verge of agreeing a revised version of the £20bn (£26.2bn) deal to buy gas from Norway's Sleipner gas field. The deal, however, could be held up by arguments between the UK and Norwegian governments, in which the British have been using the prospect of an improved offer of Dutch gas as a lever.

Statoil appears to have conceded the two major changes proposed by British Gas at the request of the UK Government. Peak Sleipner output will come down from about 38m cubic metres a day to about 30m; and the price of the gas - at about \$4.15 per million British thermal units - should be unchanged, even though the slower exploitation of the field will make it less profitable.

Final conclusion of a revised deal looks likely to be delayed until the second half of next month because

of continuing disagreement between the UK and Norway over points to be contained in a sovereign treaty between the two countries.

In particular, Norway is unwilling to accede to the UK request that natural gas liquids associated with the Sleipner gas should be transferred by UK pipeline to Flotta in Orkney, rather than by Norwegian pipeline to Teeside.

At issue is not only the £200m in extra tax revenues to the UK Treasury but a considerable amount of Norwegian national pride. When the original Sleipner deal was negotiated the Norwegians envisaged that the natural gas liquids would travel by Norwegian pipeline.

Although Norwegian officials are adamant on this point, the British negotiators have pointed out that if they do not get their way, they could sign a very competitive al-

ternative deal to buy gas from Gasunie, the Dutch utility.

In February British Gas, at the request of the UK Energy Department, investigated the possibility of a deal with the Dutch. The volumes offered, however, were about three times smaller than Sleipner and the price about 20 per cent higher per unit.

The British now believe, however, that the Dutch would be prepared to increase volumes to about half the revised Sleipner level and, crucially, at a landed price very close to that offered by Norway. To this end, Gasunie has been engaged in detailed negotiations with the UK over the cost and funding of a gas pipeline from the Netherlands to Britain.

The smaller volumes offered by the Dutch do not necessarily constitute a disadvantage to the British Government.

## European Community jobless up to 10.9%

LUXEMBOURG - About 200,000 people in the European Community became jobless in July, boosting the unemployment rate to 10.9 per cent of the workforce from 10.7 per cent in June, the Community Statistics Office said yesterday.

The number of unemployed in member states apart from Greece was 12.3m in July, up from 12.1m in June. Figures for Greece are not included because Greece does not register all its jobless at public unemployment offices.

The underlying trend of unemployment in the EEC appeared to be stable when adjusted for seasonal

	July	June
Ireland	16.7	16.6
Netherlands	14.6	14.6
Belgium	14.3	13.4
France	12.8	12.9
Britain	11.7	11.5
Denmark	8.8	9.2
Germany	8.6	8.4
West Germany	9.2	7.4
Luxembourg	1.6	1.4
Greece	1.3	1.4

Source: EEC Statistics Office

al factors, despite slight seasonally adjusted rises in France, West Germany and Britain the statistics office said.

It said changes in the number registering as unemployed in July varied greatly from country to country.

The number of jobless in Belgium and Luxembourg grew by 11 per cent as more young people registered for benefits at the end of the academic year. However, jobless numbers fell by 3.6 per cent in Denmark and 0.7 per cent in Italy.

Reuter

## British dockers walk out over coal shipment

Continued from Page 1

(S180) a week, and pay backdated to the November 1 settlement date.

The NCB said it believed a number of Nottinghamshire branches had expressed interest in the offer.

Pressure mounted on the NCB last night to agree to new talks, when a group of largely left-wing union leaders signed a statement deploring Mr MacGregor's comments during his televised debate on Wednesday with Mr Arthur Scargill, the NUM president.

However, the NCB said last night that renewed talks depended on some sign from the NUM leadership that it was willing to reconsider its hitherto blanket refusal to consider closures on economic grounds.

## Madrid may negotiate with Basque group

Continued from Page 1

Reaction in Herri Batasuna, the party closely associated with Euzko Abertzale Batzaia, was described by the proposal as "intoxicating."

Both the party and Eta-militar pursue political claims including an amnesty, the inclusion of the province of Navarre in the autonomous Basque region and a change in the constitution recognising Basque rights to self-determination.

The Basque autonomous govern-

ment, run by the conservative Basque Nationalist Party (PNV), described the talks offer as "not very realistic."

By excluding political considerations, the offer differs radically from earlier peace talks proposed by the Basque authorities between the PNV, the Socialists and Herri Batasuna. These talks failed to get off the ground last year, partly because of Socialist reticence. The proposal was finally scuttled by a renewed campaign of Eta killings.

## World Weather

Area	Temp	Wind	Cloud	Pressure	Area	Temp	Wind	Cloud	Pressure
Alaska	27	01	01	1017	London	22	02	02	1017
Algeria	27	01	01	1017	Paris	22	02	02	1017
Amman	27	01	01	1017	Frankfurt	22	02	02	1017
Amsterdam	27	01	01	1017	Hamburg	22	02	02	1017
Antwerp	27	01	01	1017	Berlin	22	02	02	1017
Athens	27	01	01	1017	Brussels	22	02	02	1017
Bangkok	27	01	01	1017	Geneva	22	02	02	1017
Bombay	27	01	01	1017	Madrid	22	02	02	1017
Buenos Aires	27	01	01	1017	Manila	22	02	02	1017
Calcutta	27	01	01	1017	Osaka	22	02	02	1017
Cairo	27	01	01	1017	Seoul	22	02	02	1017
Canton	27	01	01	1017	Singapore	22	02	02	1017
Chongqing	27	01	01	1017	Taipei	22	02	02	1017
Cebu	27	01	01	1017	Tokyo	22	02	02	1017
Dacca	27	01	01	1017	Yokohama	22	02	02	1017

This announcement appears as a matter of record only.

**Albion Films Limited**  
£25,000,000 Facility

for the British Film

**Supergirl**

Lease Finance Provided for

**County Bank Lease Management Limited**

and

**Samuel Montagu Leasing Services Limited**

by

**St. Michael Finance Limited**  
**Robert Fleming Leasing Limited**  
Investors in Industry plc

Arranged by

**Albion Films Limited**

In conjunction with

**National Leasing & Finance Co.**

July 1984

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Danson, Frankfurt/Main, F. Barkow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurt/Science-Druck, Peter Griebel, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd. 1984.

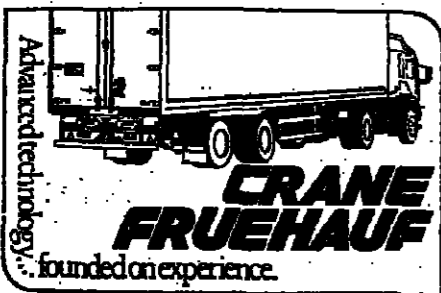
SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday August 24 1984



Brochure available from: W Canning plc, Canning House, St Paul's Square, Birmingham B3 1QR. Telephone 021-228 8224.



KEY MARKET MONITORS

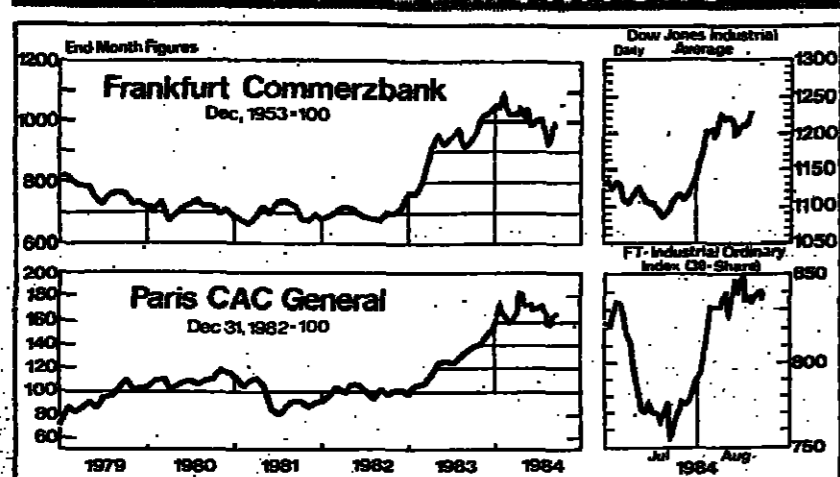


Table with columns: STOCK MARKET INDICES, NEW YORK, LONDON, TOKYO, AUSTRALIA, AUSTRIA, BELGIUM, CANADA, DENMARK, FRANCE, WEST GERMANY, HONG KONG, ITALY, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD, GOLD (per ounce).

Table with columns: CURRENCIES, U.S. DOLLAR, STERLING, INTEREST RATES, U.S. BONDS, FINANCIAL FUTURES, COMMODITIES.

WALL STREET

A steadier tone again established

A MOOD of consolidation emerged on Wall Street yesterday with the stock market steady after the previous day's late decline and the credit markets keeping their early losses to a minimum, writes Michael Morgan in New York.

At the close, the Dow Jones industrial average was up 0.66 at 1,232.44 on volume of 83m shares, down from the previous day's 117m.

The market had opened marginally easier, but the decline was overcome by lunchtime. During the early part of the afternoon, the Dow was almost 8 points ahead, but the measure sank back as the afternoon progressed.

Across the broader range, a similar picture was seen with the American Stock Exchange index, easier at first, picking up to close 1.33 firmer at 212.20.

In the credit market, an easing in the Federal Funds rate to 11 1/2 per cent failed at first to inspire investors. However, the Bellwether long bond, the 12 1/2 per cent of 2014, after opening easier, later traded three basis points higher at 100 1/2 as the funds returned to their overnight level of 11%. Other coupon issues were narrowly mixed where changed.

The late decline in the credit markets the previous day had largely stemmed from investor caution ahead of the result of the Treasury's auction of two-year notes. In the event, the notes were sold at an average yield of 12.43 per cent, lower than at the previous auction and better than some analysts had expected.

Money supply figures for the latest reporting week, due late in the day, were widely expected to show little if any growth in the basic measure of M1, and the prospects for the figures provided negligible impact on the market. The Treasury's announcement of the July budget deficit of \$16.42bn was also in line with market expectations.

The hesitancy displayed by the stock market was viewed as no more than a normal corrective phase to the latest run-up which has been reflected in an advance of almost 140 points by the Dow during the past month.

The institutions were, however, still active with large block trades, each of 100,000 shares or more, seen in Honeywell at \$64 1/4, Southern California Edison at \$21 1/4 and Sears Roebuck at \$35 1/4.

Among the most actively traded stocks, NCR added an early 3/4 to \$27, but Columbia Gas shed 3/4 to \$28 1/2 while Westinghouse eased 3/4 to \$26 1/2 after a block of more than 243,000 shares had been crossed by Salomon Bros at \$26 1/2.

Of the computer companies, Tandy shed \$1 to \$27 1/4, while IBM put on 3/4 to \$124 1/4 and Hewlett-Packard at \$40 1/4 was \$ 1/2 higher.

General Electric was active, trading unchanged at \$57 1/2 while Cigna, the insurance group, moved down a further \$1 to \$36 in continued response to an analyst's unfavourable comments.

In the motor sector, General Motors was unchanged at \$76 while Ford was \$ 1/2 higher at \$45 1/2 following its latest sales figures. Firestone, the world's second largest tyre maker, added 3/4 to \$16 1/2 in the wake of its nine-month results.

Stock in City Investing was suspended ahead of the board's announcement of the \$1.25bn sale of three units to an investor group led by Kohlberg Kravis Roberts and Merrill Lynch Capital Markets.

Kroger, the second largest food super-

EUROPE

Fears affect chemicals in Frankfurt

A SELL-OFF developed among West German chemical shares yesterday as a dispute grew over possible cancer risks associated with the preservative and disinfectant formaldehyde, a ban on which could severely hit its manufacturers and have a wide and costly impact on many industrial sectors.

Amid all this, BASF, the world's biggest producer of the substance, reported more than doubled pre-tax profits for the first half. Its Frankfurt close, though, was DM 4.50 lower at DM 151 after touching DM 149.50.

Shares of the country's big three chemicals concerns have shown no positive response to the results season this week despite substantial profit improvements all round. Yesterday Hoechst slipped DM 3.20 to DM 186, and Bayer DM 3.40 to DM 185.20 although neither is a significant maker of formaldehyde.

The dullness was also in part attributed to uninspiring dividend prospects for the year.

The Commerzbank index, at its mid-session daily calculation, was 11.2 down at 982.6 - a sharper setback than experienced in any other continental European centre.

Late bargain-hunting by foreign institutions left many issues above the day's lows, but even Veba, the energy group which reported a profits boost and hinted at a higher dividend, lost DM 1.80 to DM 170.20.

A slightly firmer domestic bond market allowed the Bundesbank to sell DM 60.3m in paper.

Nedlloyd was the star of the Amsterdam session after the shipping group announced a return to the black at Ft

125 it was Ft 11.20 or nearly 10 per cent stronger and helped brighten the previously dull tone.

Bonds were lethargic ahead of terms due on Tuesday for the new 8 1/2 per cent state issue.

End-account adjustments took Paris slightly higher, with Cie Generale des Eaux gaining Ffr 17 to Ffr 537, Club Med Ffr 26 to Ffr 976 and Matra Ffr 43 to Ffr 1,550 to put them among the day's best. On the decline was Buoygues, off Ffr 19 to Ffr 560.

Also of assistance was a call money rate at a 3 1/2-year low of 10 1/2%.

Brussels continued its advance as trading livened up further, helped by interest rate optimism. Utilities, the most rate-sensitive, showed prominent gains of Bfr 118 for Electrol to Bfr 7,640 and Bfr 90 in Tractebel to Bfr 4,000.

Profit-taking intervened in the recent Stockholm revival. Poor results from Bolida pulled it SKr 9 lower to SKr 383 while Ericsson dipped SKr 6 to SKr 378 ahead of its figures.

Chocolate maker Lindt again featured otherwise cautious Zurich dealings, de-

buoyed by the news.

Triggered by Wall Street's overnight fall, blue chips came under small-lot selling pressure. Foreign investors showed no signs of active interest in leading blue chips, although their buy orders placed with four leading securities companies increased slightly to 20m shares against sell orders for 18.5m.

Fuji Photo Film shed Y20 to Y1,770, Hitachi Y9 to Y849 and Sony Y80 to Y3,380. But Kyocera gained Y110 to Y8,280 on speculative buying.

Conversely, incentive-backed issues related to biotechnology and semiconductor were a speculator's target, moving erratically throughout the day. Morinaga soared Y91 at one point but retreated under profit-taking pressure to finish at Y61 at Y810. Morinaga was the most active stock with 19.84m shares changing hands.

Nissan Electric, also active, jumped Y35 to Y454, bolstered by the reported development of a new videotape recorder-manufacturing system.

Kyodo Printing scored a daily limit gain of Y80 at one point but fell back to close Y87 higher at Y397. Furukawa added Y30 to Y428, and Asahi Glass Y16 to Y771.

Mitsubishi Electric ranked second on the list of 10 most active stocks, with 9.50m shares traded, but lost Y1 to Y406.

On the bond market, investors stayed on the sidelines, despite the yen's firmness against the dollar. The yield on the benchmark 7.5 per cent long-term government bond, maturing in January 1993, edged down from 7.24 per cent to 7.23 per cent.

A ROUND of profit-taking from Wednesday's sharp post-bid rise in Sydney sent prices lower in active trading.

Top mining companies were hardest hit - CRA shed 10 cents to A\$3.56 and CSR and MIM 6 cents to A\$3.38 and A\$3.05 respectively.

Santos jumped 10 cents to A\$6.66 after reporting a "significant" oil strike in the Cooper Basin. Vamgas, a 10 per cent partner in the well, gained 25 cents to A\$2.30. Other energy issues were buoyed by the news.

Fears affect chemicals in Frankfurt

A SELL-OFF developed among West German chemical shares yesterday as a dispute grew over possible cancer risks associated with the preservative and disinfectant formaldehyde, a ban on which could severely hit its manufacturers and have a wide and costly impact on many industrial sectors.

Amid all this, BASF, the world's biggest producer of the substance, reported more than doubled pre-tax profits for the first half. Its Frankfurt close, though, was DM 4.50 lower at DM 151 after touching DM 149.50.

Shares of the country's big three chemicals concerns have shown no positive response to the results season this week despite substantial profit improvements all round. Yesterday Hoechst slipped DM 3.20 to DM 186, and Bayer DM 3.40 to DM 185.20 although neither is a significant maker of formaldehyde.

The dullness was also in part attributed to uninspiring dividend prospects for the year.

The Commerzbank index, at its mid-session daily calculation, was 11.2 down at 982.6 - a sharper setback than experienced in any other continental European centre.

Late bargain-hunting by foreign institutions left many issues above the day's lows, but even Veba, the energy group which reported a profits boost and hinted at a higher dividend, lost DM 1.80 to DM 170.20.

A slightly firmer domestic bond market allowed the Bundesbank to sell DM 60.3m in paper.

Nedlloyd was the star of the Amsterdam session after the shipping group announced a return to the black at Ft

125 it was Ft 11.20 or nearly 10 per cent stronger and helped brighten the previously dull tone.

Bonds were lethargic ahead of terms due on Tuesday for the new 8 1/2 per cent state issue.

End-account adjustments took Paris slightly higher, with Cie Generale des Eaux gaining Ffr 17 to Ffr 537, Club Med Ffr 26 to Ffr 976 and Matra Ffr 43 to Ffr 1,550 to put them among the day's best. On the decline was Buoygues, off Ffr 19 to Ffr 560.

Also of assistance was a call money rate at a 3 1/2-year low of 10 1/2%.

Brussels continued its advance as trading livened up further, helped by interest rate optimism. Utilities, the most rate-sensitive, showed prominent gains of Bfr 118 for Electrol to Bfr 7,640 and Bfr 90 in Tractebel to Bfr 4,000.

Profit-taking intervened in the recent Stockholm revival. Poor results from Bolida pulled it SKr 9 lower to SKr 383 while Ericsson dipped SKr 6 to SKr 378 ahead of its figures.

Chocolate maker Lindt again featured otherwise cautious Zurich dealings, de-

buoyed by the news.

Triggered by Wall Street's overnight fall, blue chips came under small-lot selling pressure. Foreign investors showed no signs of active interest in leading blue chips, although their buy orders placed with four leading securities companies increased slightly to 20m shares against sell orders for 18.5m.

Fuji Photo Film shed Y20 to Y1,770, Hitachi Y9 to Y849 and Sony Y80 to Y3,380. But Kyocera gained Y110 to Y8,280 on speculative buying.

Conversely, incentive-backed issues related to biotechnology and semiconductor were a speculator's target, moving erratically throughout the day. Morinaga soared Y91 at one point but retreated under profit-taking pressure to finish at Y61 at Y810. Morinaga was the most active stock with 19.84m shares changing hands.

Nissan Electric, also active, jumped Y35 to Y454, bolstered by the reported development of a new videotape recorder-manufacturing system.

Kyodo Printing scored a daily limit gain of Y80 at one point but fell back to close Y87 higher at Y397. Furukawa added Y30 to Y428, and Asahi Glass Y16 to Y771.

Mitsubishi Electric ranked second on the list of 10 most active stocks, with 9.50m shares traded, but lost Y1 to Y406.

On the bond market, investors stayed on the sidelines, despite the yen's firmness against the dollar. The yield on the benchmark 7.5 per cent long-term government bond, maturing in January 1993, edged down from 7.24 per cent to 7.23 per cent.

A ROUND of profit-taking from Wednesday's sharp post-bid rise in Sydney sent prices lower in active trading.

Top mining companies were hardest hit - CRA shed 10 cents to A\$3.56 and CSR and MIM 6 cents to A\$3.38 and A\$3.05 respectively.

Santos jumped 10 cents to A\$6.66 after reporting a "significant" oil strike in the Cooper Basin. Vamgas, a 10 per cent partner in the well, gained 25 cents to A\$2.30. Other energy issues were buoyed by the news.

ying a weaker trend to finish SwFr 200 up at SwFr 11,300. Ciba-Geigy, SwFr 30 better at SwFr 2,450, was the only chemical major to improve. Bonds steadied quietly.

Late Milan selling eroded earlier gains, although insurers remained strong, Toro adding L101 to L9,299. Olivetti lost L93 to L5,958. Bonds were narrowly mixed.

In Copenhagen, Novo at DKr 2,525 showed no movement ahead of its earnings statement. Oslo had Norsk Hydro Nkr 10.50 higher at Nkr 623.50 up Nkr 28.50 over two days.

Property issues held out against a lower Madrid trend.

LONDON

Dockers fail to cause undue alarm

THE PROSPECT of Britain's second national dock strike within a month unsettled London markets yesterday but failed to worry investors unduly.

Trading was again seasonally quiet with less favourable U.S. market trends also making for a more cautious investment approach.

Gilt recovered from their lowest as sterling hardened against the dollar and longer-dated issues settled 1/2 point down on the day with more marginal movements for shorts.

Takeover speculation thrived in the absence of genuine investment business. Tate & Lyle, making a contested bid for Brooke Bond, rose 11p to 383p on rumours that Dalgety was about to launch an offer.

The FT Industrial Ordinary index closed 6.4 lower at 835.2.

Chief price changes, Page 22; Details, Page 23; Share information service, Pages 24-25

HONG KONG

NEWS that Green Island Cement planned a one-for-three rights issue aimed at reducing mounting debt helped push prices lower in moderate Hong Kong trading.

Green Island was last quoted at HK\$6.85 against Wednesday's HK\$6.80 close, while its holding company Cheung Kong fell 25 cents to HK\$20.

Cheung Kong's associate, Hutchison Whampoa, was 30 cents off at HK\$10.20.

SINGAPORE

PERSISTENT profit-taking sent Singapore prices lower on a broad front in lacklustre trading.

Pan Electric, back among the most active, gained 10 cents to S\$2.80, while Haw Par International fell 12 cents to S\$2.15 and UOL shed 4 cents to S\$2.70 on lower half-year results.

Among financials, OCBC lost 15 cents to S\$8.90, DBS 10 cents to S\$7.55 and Industrial/Commercial Bank 15 cents to S\$6.40.

SOUTH AFRICA

GOLDS ended quietly firmer in Johannesburg as the bullion price steadied.

De Beers fell a further 15 cents to R8.65, bringing its loss since Tuesday's disappointing interim results announcement to 63 cents.

Industrials closed mostly unchanged with a firmer bias.

CANADA

A MIXED tone emerged in Toronto, with golds continuing weak and base metal mining and energy issues firmer.

Montreal was similarly hesitant, with utilities and banks stronger and industrials generally off.

Stanza. Nissan's top value family saloon. SOPHISTICATEDLY ENGINEERED. LUXURIOUSLY EQUIPPED. PRACTICALLY PRICED. Saloon or hatchback, the Stanza is outstanding. High efficiency 1.6 or 1.8 litre engines are the lightest in their class yet give 100 mph performance combined with remarkable economy. Transverse engine and gearbox drive the front wheels with a sureness of grip and a generosity of passenger space equipped to full executive levels. The 1.6GL has a 5-speed box, tinted windows, radio and stereo cassette player, premium grade cloth trim, twin remote-controlled door mirrors, push-button heating/ventilation and yet still undercuts the 1.6GL Cavalier by £780. And until September 1st, Stanzas have free delivery and number plates on top. And we don't just talk about quality and reliability, we confidently give it and back it with a 100,000 mile/3 year warranty. Couple this with the fact that a Stanza holds its value better than a Cavalier or Sierra and you can see that the Stanza offers everything you need for years of enjoyable, economical motoring. See your Nissan/Datsun dealer and fit your family with a new Stanza. Prices from... £5,496 NISSAN

NISSAN UK LTD, COLUMBA DRIVE, BURNING TUN, WES-1 SUSSEX, BN15 9AL TEL 0434 6241

INTERNATIONAL COMPANIES and FINANCE

Paul Taylor in New York looks at the latest Japanese-U.S. venture NKK puts fire into National Steel

MINORU KANAO, president of Nippon Kokan (NKK), beamed a broad smile when he was asked what rate of return Japan's number two steelmaker is looking for from its \$292m investment in a 50 per cent stake in National Steel, the sixth largest U.S. steel group.



Mr Minoru Kanao: "The more the better"

with turning the steel division around, will retain those positions in the new independent company.

as NII's key strategy to double its "seven to 10 per cent" market share of coated steel products supplied to the U.S. motor industry, is a new electrolytic galvanising line at its Great Lakes steel division near Detroit.

The new partnership has already resulted in NKK replacing an unnamed "West German" company as the key supplier of advanced technology for that plant.

The more immediate impact of the deal for NII is that it will have an additional \$300m in the bank with which to step up its already extensive diversification programme, which has led it into metals distribution, aluminium and financial services.

Mr Love said after the signing earlier this week that NII hopes to make an announcement of possible acquisitions "by the end of this year."

But he added, "Naturally if any trade restrictive schemes are established here in the U.S., NKK will suffer, but National Steel may be in a better position."

The NKK/NII link could represent the shape of the future U.S. steel industry. Aside from National Steel, several other Japanese steelmakers have teamed up with U.S. companies on more limited joint projects.

What the U.S. industry is waiting to see is how Nippon Steel, the world's largest steelmaker and NKK's fiercest rival, responds to the new environment.

Mexican bank law will favour credit markets

BY DAVID GARDNER IN MEXICO CITY

MEXICO'S new banking law, expected to be published next month, will favour the development of a parallel credit market, based around the financial services companies handed back to the private sector as part of the sell-off of assets nationalised when the private banks which owned them were expropriated in September 1982.

Former bank shareholders have taken up 90 per cent of the stock in the 330 companies where bank equity was being divested. All the financial companies, including brokerages and insurance and leasing companies, have been bought back in exchange for bonds issued to the former bank shareholders as compensation for expropriation. Attention now centres on the demarcation lines that the legislation will

draw between the state banking system and the new companies.

The likely scenario is that the nationalised banks will be able to hold up to 15 per cent individually and no more than 49 per cent collectively in the financial services companies.

This keeps formally to the mixed economy concept whereby private interests can hold up to 34 per cent in the nationalised banks. In fact, few private investors have bought into the banks and the formula for the financial companies may also remain a polite and politic fiction.

The Government, most recently through Sr Jesus Silva Herzog, the Finance Minister, has been at pains to stress that no parallel banking system will be allowed under the legislation. The idea of the private

sector registering a foothold in the financial system is political anathema to the nationalist left within the ruling Institutional Revolutionary Party (PRI) and the large PRI-controlled unions. Recent leaks to the Mexican press that the banks will be able to hold stakes in the new companies may be designed to coincide with the ruling party's 12th national congress which began yesterday.

The legislation is also likely to insist on the formation of holding companies where there is common ownership of three or more financial companies. Though most of the former bank shareholders are already setting up holding companies, this would nevertheless suggest that the Government is actively seeking to favour the growth of a solid parallel market.

Woolworth UK to restructure under new retailing strategy

BY DAVID CHURCHILL IN LONDON

WOOLWORTH Holdings, the UK stores group, has announced a major restructuring of its retail operations and unveiled its new commercial strategy aimed at revitalising the chain store group in the next five years.

The moves are seen as the most significant changes made by the company since it was acquired in late 1982 from its U.S. parent by a City of London financial consortium.

Under the restructuring, Woolworth will have four autonomous retail divisions. About 800 Woolworth stores less than 20,000 square feet in size will comprise the main chain, while about 60 larger stores will form a new superstores division.

The B&Q do-it-yourself chain and the recently-acquired Comet electrical

goods discount stores will both continue to operate independently.

Mr Geoff Mulcahy, group finance director, will become managing director of the group as well as taking over as chairman and chief executive of the main stores operation.

Mr Richard Harber and Mr Colin Brown will become joint managing directors of the main chain. Mr Rodney Lund will become managing director of the superstores division.

Mr John Beckett, group chairman, said last night that "now that the fundamental housekeeping tasks in F. W. Woolworth have been implemented and a new commercial policy has been defined, the group board believes clear, distinct management lines are desirable."

The new retailing strategy has been developed in the past year by a

special "task force" and is built around six areas of trade do-it-yourself, apparel, leisure and play, general convenience, daily provisions and household.

There will be 12 core departments in these six areas, which at present account for about 57 per cent of selling space but which the new management team wants to build up to three quarters of the total sales area by 1988.

While the core departments are intended to act as the main reason why consumers will want to shop at Woolworth... they will be aided by a further 12 support departments. These will be profitable but small markets in which Woolworth is established, such as haberdashery and hosiery.

Men & Matters, Page 16; Lex, Page 12

Third-quarter profits and sales advance at Firestone

BY OUR NEW YORK STAFF

FIRESTONE, the world's second biggest tyre maker, boosted net profits from continuing operations to \$20m or 65 cents a share in the third quarter, from \$27m or 55 cents last time, on sales up from \$941m to \$1,036m.

At the nine-month stage, however, net profits from continuing operations fell sharply, from \$65m or \$1.31 a share to \$51m or \$1.08, sales rose from \$2,636m to \$2,966m.

The latest quarterly figure includes a \$11m gain from the sale of a Brazilian rubber plantation, against an \$5m gain last time from partial liquidation of Life inventories.

\$48m or \$1.01 a share, after taking in a gain of \$17m from discontinued operations and an extraordinary credit of \$2m. In the year ago quarter gains of \$3m from discontinued operations and an extraordinary credit of \$1m made a final net of \$31m or 65 cents a share.

For the latest nine months income from discontinued operations of \$26m and an extraordinary credit of \$8m made a final net of \$34m or \$1.80 a share. This compares with a final net last time of \$75m or \$1.53, arrived at after income from discontinued operations of \$7m and an extraordinary credit of \$3m.

Lilco warns of possible bankruptcy protection filing

BY OUR FINANCIAL STAFF

LONG ISLAND Lighting Company (Lilco), the troubled New York state utility, yesterday warned that it may have to consider filing for bankruptcy protection unless the New York Public Service Commission approves a new financing agreement before September 1.

Under the new financing, Lilco has signed a commitment letter for an additional \$150m credit line, which can be increased to \$200m with the consent of the 14 bank lenders. The credit line, which extends through next year, is secured by accounts receivable and natural gas stocks.

However, as a condition of receiving the new money, Lilco is suspending preferred stock dividends payable on or after October 1.

The financing is also conditional on the commission's approval, and Lilco warned that if this was not received by September 1, "the company will have to review alternative courses of action, including the possibility of seeking protection under Federal bankruptcy laws."

The company has been plagued by financial problems due to the heavy costs associated with the controversial and long-delayed \$4.1bn Shoreham nuclear power plant.

Bowater proposes \$341m expansion

By David Blackwell in New York

BOWATER INC., which was demerged from its UK parent last month, is to spend \$341m on expanding its Catawba, South Carolina, mill. The expansion will produce an additional 197,000 tons a year of light-weight coated publications paper, more than doubling production to 321,000 tons.

Bowater, the largest U.S. producer of newsprint and a major producer of coated paper and market pulp, plans to start up the new installation in the fourth quarter in 1988.

Mr Anthony P. Gamble, president and chief executive, said customers have already entered into contracts to buy substantially all the output of the new machine as it comes into production.

Bowater plans to finance the expansion from internally generated cash and from borrowing. Various debt options were being explored, but sufficient irrevocable lines of credit were already in place for the project to get underway without delay.

The mill expansion will take precedence over certain discretionary projects included in the company's previously announced \$450m three-year capital programme, said Mr Gamble.

Substantially increased demand for all its major products boosted second-quarter earnings from \$10.2m to \$15.6m, taking half-year profits from \$15.8m to \$24.7m.

William Hall adds: The new lightweight coated paper machine, which will produce glossy or coated paper for magazines, mail order catalogues, etc., is a major diversification move for Bowater which until now has been heavily dependent on the fortunes of the U.S. newsprint market, where it is the biggest producer.

Mr R. D. McDonough, chief financial officer, said yesterday that the company wanted to get a better balance in its earnings and wanted to put its money where it could earn the highest return.

The U.S. lightweight coated paper market, currently experiencing boom conditions and Bowater is the first company in three years to put down new capacity.

Bowater's last major investment in the U.S. was a \$100m paper machine at its Calhoun mill in 1979. Until the recent demerger, Bowater had claimed that it was unlikely to make any major investment in the U.S. because of the inefficiencies of its corporate structure.

Revised buyout plan approved by Blue Bell

By Our New York Staff

BLUE BELL, a clothing manufacturer based in Greensboro, North Carolina, has approved a revised leveraged buyout proposal and entered into a definitive merger agreement with a new corporation organised by Kelco. The management buyout specialist.

Under the agreement each outstanding Blue Bell share, other than shares held by the new corporation, will be converted into the right to receive \$47.66 in cash. Blue Bell has about 9.9m shares outstanding.

The new corporation will be owned by members of Blue Bell's management, employees and investors, through Kelco. The revised proposal reflects an increased price over an earlier agreement in principle to effect the merger at \$47.50 a share.

Blue Bell also said it had entered into a "memorandum of understanding providing for the settlement of two lawsuits challenging the merger."

Lowe's shows improvement

By Our New York Staff

LOWE'S COMPANIES, the building materials and hardware stores group, yesterday reported second quarter net profits up from \$13.3m or 50 cents a share to \$20.5m or 77 cents. This took the six month result from \$26.9m or 75 cents a share to \$38.3m or 92 cents.

Revenues for the quarter advanced from \$418.1m to \$494.9m and for the half from \$717.6m to \$865.2m.

Advertisement for Saudi International Bank (AL-BANK AL-SAUDI AL-ALAMI LIMITED) with Arabic and English text, listing offices in London, New York, Tokyo, and Nassau, and shareholders including Saudi Arabian Monetary Agency and others.

British groups set up biotechnology venture

BY DAVID FISHLICK, SCIENCE EDITOR, IN LONDON

ICI, the British chemicals concern, and B&Q, the UK bakery group, have agreed a joint biotechnology venture to develop a new food in Britain.

They are to spend £5m to £10m (£3.2m to \$6.5m) over the next two years in the large-scale manufacture and test-marketing of the food, made by industrial fermentation.

The food, called myco-protein, is analogous to flour in that it is seen as raw material for a great variety of foods.

Myco-protein is a microscopically small fungus from the same family of plants as mushrooms, truffles, and the source of flavour in some kinds of blue cheeses. It is made from starch, a byproduct of some B&Q low-calorie foods.

The joint venture is called New Era Foods and about a third of the development cash is to be provided by the UK Department of Industry from its biotechnology support programme.

New Era Foods plans to take nearly two decades of research, small scale production and safety testing on myco-protein, and scale it up to a rate of about 30 tonnes a week, using an ICI biotechnology plant on Teesside.

Dr Jack Edelman, the B&Q director responsible for myco-protein, estimated that about 50 tonnes of it had been eaten since the Government approved it.

A variety of foods based on myco-protein are being sold in B&Q's own canteens. Between 5,000 and 6,000 people are eating it regularly, Dr Edelman estimates.

But very much larger quantities are needed to fully test-market a new food. The ICI facility, originally used to develop Pruteen, an animal feedstuff made by biotechnology from methanol, is though capable of making up to 1,000 tonnes a year.

Unity Trust issue heavily oversubscribed

By David Lascoules in London

UNITY TRUST, the financial institution launched by UK trade unions earlier this year, finds itself in the satisfying but awkward position of having its first share issue oversubscribed.

Some 35 unions have applied for well over the £2m (£2.62m) authorised founder shares. The key question at the institution's first annual meeting next week will be how to deal with the embarrassment of riches.

Unity Trust has three classes of shares: A shares for founder trade unions, B shares for the Co-op Bank which is backing the venture and has agreed to match A shares pound for pound, and C non-voting shares for other investors. Each class is limited to £2m.

The institution - which has a deposit-taking licence and hopes to become a fully-fledged bank - opened its doors on May 1

Advertisement for Britannia Jersey Gilt Fund Limited, offering a quarterly income of 12.4% per year, with a minimum investment of £1,000 and easy access to funds.

Advertisement for TIME SHARING AND THE ORIENT EXPRESS, featuring a 12.4% return and a £1,000 investment, with details on how to apply.

INTL. COMPANIES & FINANCE APPOINTMENTS

BASF doubles first half profits as margins widen

BY JONATHAN CARR IN BONN

BASF, the West German chemicals group, raised group pre-tax profits by 105.6 per cent to DM 1,279m (\$495m) in the first half of this year...

Ericsson sees 20% growth in earnings

By David Brown in Stockholm

ERICSSON, THE Nordic region's largest telecommunications and electronics company, reports pre-tax earnings for the first six months of 1984...

Regional director for Midland Bank

Mr John Burton, at present an assistant general manager, has been appointed a regional director of MIDLAND BANK...

tor. He was the company's senior marketing executive with responsibility for sales both through Melbros Car Panels and Bodicare Panel Centres.

COLE ELECTRONICS, a member of the Cole Group, has appointed Mr John Fisher and Mr Fred Glover to the board...

Britany Ferris UK director. Mr Ian Carruthers, has been appointed chairman of the PASSENGER SHIPPING ASSOCIATION...

Mr John Browning, general manager and engineer, has been appointed a director of the BRISTOL WATERWORKS COMPANY...

Mr Allan Pritchard has become a partner of LYDDON AND CO., stockbrokers.

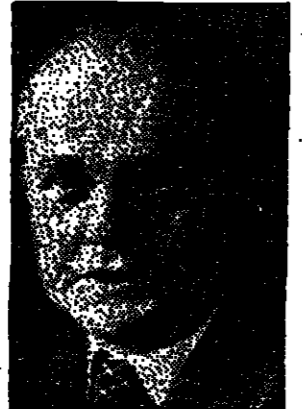


Mr Andrew Johnson, company secretary, Taylor Woodrow International

Veba considers raising dividend

BY OUR BONN CORRESPONDENT

VEBA, the West German energy and industrial concern, may raise its dividend for 1984 after increasing net profit in the first half to DM 221m (\$77m) from DM 149m in the same period of 1983.



Herr Rudolf von Bennigsen-Foerder

DM 9.5bn and from product sales by 7.4 per cent to DM 15.4bn. Chemical sales showed the strongest rate of increase...

Strike pushes Opel into the red

BY OUR BONN CORRESPONDENT

Opel, the West German subsidiary of General Motors of the U.S., went into the red in the first half of this year after making a net profit of DM299m (\$104m) for the whole of 1983.

Hongkong Tin domicile change

BY OUR FINANCIAL STAFF

HONGKONG TIN, a small tin-mining company operating in Malaysia, is to move its legal domicile to Malaysia from the UK, diversify into property, and raise fresh capital.

Dutch paper group ahead

By Our Financial Staff

NET PROFITS up from Fl 6.4m to Fl 10.5m (\$3.2m) are reported by the Dutch paper, printing and packaging group, for the first half of 1984.

Nedlloyd on course for best results since 1981

BY OUR FINANCIAL STAFF

NEDLLOYD, the Dutch shipping group, has hauled itself out of the red for the first half of 1984 with net earnings of Fl 52.4m (\$16.1m).

Danish banks profitable at operating level

By Hilary Barnes in Copenhagen

DANSKE BANK and Privatbanken—Denmark's first and third largest banks measured by balance sheet totals—each reported a substantial improvement in first half operating profits...

Rights for Green Island as losses worsen

BY DAVID DODWELL IN HONG KONG

GREEN ISLAND CEMENT, the troubled Hong Kong company controlled by Mr Li Ka-shing, yesterday announced plans for HK\$86.4m (\$111m) rights issue aimed at reducing mounting debt.

Regional director for Midland Bank

By David Brown in London

Mr John Burton, at present an assistant general manager, has been appointed a regional director of MIDLAND BANK...

Advertisement for Mitsubishi Corporation U.S. \$100,000,000 13 1/4% Notes Due 1989. Includes logos and list of agents.

Advertisement for TOSHIBA CERAMICS CO., LTD. U.S. \$30,000,000 3 1/2 per cent. Convertible Bonds 1994. Includes logos and list of agents.

Advertisement for Lloyds Eurofinance N.V. and Lloyds Bank Plc. Includes logos and financial details.

Advertisement for CREDIT COMMERCIAL DE FRANCE U.S. \$250,000,000 Floating Rate Notes due 1996. Includes logo and financial details.

UK COMPANY NEWS

Exco profit soars 165% in first half

CONTINUED EXCELLENT results from Telerate and a significant increase in money broking profits have enabled Exco International to produce profits before tax of £33.13m for the first half of 1984...

AP-Dow Jones/TELERATE, a company formed last October. "We do not believe that rumours of impending competition will have any impact on Telerate's profitability in the foreseeable future..."



Mr John Gunn (left), chief executive, and Mr William Matthews, group managing director, at the offices of Exco International.

Mr Gunn said that Exco's profit for the first half of 1984 was £33.13m, up 165 per cent on £10.2m in the same period last year.

This year has the whole of the benefit of the New York money broking operation, which was only half-owned last time. Underlying profits on money broking, ignoring the changes in share ownership, have increased by about 30 per cent.

Overseas setback leaves APV £2.2m down

SETBACKS in overseas operations at APV Holdings hit pre-tax profits for the first half of 1984, leaving the result sharply down from £7.7m to £5.57m...

Cadbury Schweppes preparing for ADR share issue in U.S.

Cadbury Schweppes yesterday reported a 13.5 per cent profit increase for the first 24 weeks of 1984 and confirmed that it intends to soon proceed with a previously postponed issue of shares in American Depositary Receipt form in the U.S.

Distillers hints at upturn but warns on costs

Mr John Connell, the chairman of the Distillers Company, indicates that the company may expect an improvement in the current year, but that it would be "imprudent" at this early stage to say more.

In July this year the company reported a drop in pre-tax profits from £209.3m to £191.6m for the year ended March 31 1984. Of a total dividend of £13.85p (13p) net.

Queens Moat expansion—up £1.2m halfway

A £1.13M ADVANCE in pre-tax profits to £2.72m has been recorded by the Queens Moat Houses hotels and restaurants group for the first half of 1984.

S & N weighs up prospects Mr David Nickson, chairman of Scottish & Newcastle Breweries, commented on future prospects in the light of recent economic changes and the lack of response in the beer market to the good summer weather.

Norfolk Capital trading well

FOLLOWING the return to profits in the second half of last year, the Norfolk Capital Group of hotels reports a substantial reduction in its loss for the first six months of the current year.

James Dickie Trading losses at James Dickie and Company (Drop Forgings) increased from £4,848 to £16,550 in the six months to April 30 1984.

Spurs scores £0.7m in strong second half

IN THEIR first year as a publicly listed company, Tottenham Hotspur turned in profits before tax and transfer fees of £92,000 against £168,000.

Insley deal initiates Meggitt growth plan Meggitt Holdings, the machine tool group, is embarking on the first leg of an acquisition-led expansion programme which will eventually see the return of Mr Kenneth Coates and Mr Nigel McCormick to the electronics and defence sectors.

Chubb/Racal

Chubb has written to shareholders saying there is nothing in Racal's document to change the advice already given to you, officers clearly undervalue Chubb's supplementary dividend.

Dividends Announced APV Holdings Current payment 4.5 Date Oct 31

BBA Group Interim Results Highlights Table with columns for 1984 and 1983, rows for Turnover, Exports, Profit before taxation, etc.

Spurs scores £0.7m in strong second half Text detailing Tottenham Hotspur's financial performance.

Insley deal initiates Meggitt growth plan Text detailing the acquisition of Insley by Meggitt.

James Dickie Trading losses at James Dickie and Company (Drop Forgings) increased from £4,848 to £16,550.

Chubb/Racal Chubb has written to shareholders saying there is nothing in Racal's document to change the advice already given to you.

Hoggett Bowers plc SHARE CAPITAL Table showing 458,806 Ordinary shares of 5p each and 371,094 Non-participating convertible ordinary shares of 5p each.

Lombard 14 Days Notice Deposit Rate is 11% and The Lombard Cheque Savings Rates are 10 1/2% and 8 1/2%.



## UK COMPANY NEWS

### Interest costs depress Blue Circle

ALTHOUGH OPERATING profits at Blue Circle Industries moved up by £7m to £87.1m for the first half of 1984 thanks to the overseas companies after allowing for a £4.8m jump in interest charges to £14.7m, and higher plant modernisation costs the taxable figure was down from £48.2m to £47.6m.

Turnover of this cement manufacturer moved ahead from £408.6m to £426.3m.

The net interim dividend has been held at 6p, with earnings per £1 share shown as falling from 36.5p to 35.5p before extraordinary items.

In the last full year a total of 19p was paid from pre-tax profits of £109.5m (£107.8m). At the last annual meeting the directors

said that the company continued to improve the productivity of operations by heavy capital expenditure, which would mean increases in borrowings and interest charges.

Depreciation in group companies in the UK is based on the revaluation of fixed assets at January 1 1979 or on subsequent cost. Overseas subsidiaries and related companies depreciation is based on revaluations at varying dates or at cost. The directors say if depreciation had been charged on original cost for the half-year, would have been increased by \$8.5m. Depreciation took £26m (£23.8m).

A breakdown of operating profits by geographical area shows: UK £22.5m (£27.7m); Australasia \$6.6m (£4.8m); Africa £14.4m (£14m); U.S. £9.1m (£2.2m); Latin America £5.7m (£3.8m); Asia and the Middle East \$8.8m (£7.8m).

Despite a small increase in the overall size of the UK cement market, home trade cement deliveries remained unchanged at 3.9m tonnes. Imports into Northern Ireland have shown some increase.

The reduction in UK operating profit reflects continuing cement price restraint at a time when the benefits of substantial cost saving measures, particularly the major updating of works at Canilon and Dunbar, have yet to be realised.

Armitage Shanks contributed to operating profit, an increase of £1.8m with increases at home and overseas.

All U.S. operations benefited from a strong upturn in demand and performed "extremely well."

The directors said later that exceptional items are likely to be similar or slightly bigger in the second half, over the whole of 1984, exceptional charges should be well down although there is likely to be some carry over in the first half of that year.

Overall Blue Circle reckons the UK market has increased so far by some 3 per cent, with sales static, market share has gone down by a couple of points and is estimated at about 68 per cent.

### BBA sees further recovery this year

BBA Group, a Yorkshire-based friction material and industrial textile manufacturer, made a further recovery in the first six months of this year and pushed taxable profits up by 36.7 per cent from £2.84m to £3.89m.

Despite the uncertainty of the outcome of the miners' strike, the company expects that the full year profit figure will exceed the £5.5m earned in 1983. In 1979 the company achieved profits of £8m.

The interim result was achieved on turnover ahead by 13.3 per cent to £88.06m, with both overseas and UK operations contributing to the improvement.

Overall, UK companies remained in profit compared with a loss in the first half of 1983 and overseas operations recorded a 20.9 per cent profit advance.

Although there was little change in the proportion of sales between the product divisions, industrial operations notched up a 198 per cent improvement on a 17.5 per cent sales rise against respective increases of 2.3 and 11.9 per cent on the automotive side.

Stated group earnings per share moved ahead from 1.22p to 2.02p. The interim dividend is being held at 0.84p net.

Attributable profits emerged at £1.17m (£824,000) after higher tax of £2.43m (£1.94m).

### Extract Wool Holdings PLC

(Incorporated under the Companies Acts 1962 to 1980 No. 66627)

to be renamed

### Scanro Holdings PLC

Authorised £	Share Capital*	Issued and to be Issued Fully paid £
63,150	in 4.2 per cent (formerly 6 per cent. gross) Cumulative First Preference shares of £1 each	63,150
72,850	in 4.9 per cent (formerly 7 per cent. gross) Cumulative Second Preference shares of £1 each	72,850
1,534,000	in Ordinary shares of 50p each	1,408,500
1,670,000		1,544,500

\*Upon completion of the Placing referred to below, the existing Preference shares will be converted into 272,000 Ordinary shares of 50p each, credited as fully paid.

On 31st July, 1984 Extract Wool Holdings PLC ("the Company") entered into an agreement to purchase Scanro Limited, now one of the world's leading manufacturers and distributors of windsurf boards and accessories. This agreement is conditional on the Placing referred to below.

In connection with a Placing of 282,000 Ordinary shares of 50p each of the Company at 105p per share, application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the Company's issued Ordinary share capital (including shares arising on the conversion of Preference shares) in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing.

A proportion of the shares being placed have been offered to and will be available through the Market. Particulars concerning the Company are available in the Extra Unlisted Securities Market Service and copies of the Prospectus may be obtained until 7th September, 1984 from:

Grieveson, Grant and Co.  
59 Gresham Street, London EC2P 2DS

### Saga looking for profit increase over full year

TRADING CONDITIONS were generally difficult for Saga Holidays in the half year ended April 30 1984, and pre-tax profit rose from £2.07m to £2.26m. But the directors say they can be fairly confident that profits for the year should show some increase as compared with the £2.44m achieved in the previous 18 months.

The effect of moving the year-end from June 30 to October 31 will mean that in this and future years there will be a considerable disparity in results between the first and second halves. The two main trading seasons of spring and autumn will both fall into the second half.

Looking further ahead, Mr Roger de Haan, who took over the chairmanship at the end of June on the retirement of his father, says bookings for 1984-85 are running 20 per cent above the comparable period, although only a relatively small proportion of bookings for the year have been received.

"But almost more important are the changes, refinements and improvements which we are making to our products and organisation which give me confidence for the longer term," he states.

Turnover in the first half came to £131.00m (£119.1m), but this represents less than 30 per cent of the year's figure. There was some reduction in the period mainly as a result of a fall in demand for continental and cruising holidays marketed in Britain, although this was partly offset by an increase in sales of UK based and long-haul holidays.

In the half-year gross profit came to £2.73m (£3.2m) but was outweighed by administration

### British Alcan surges to £26m in first six months

CONTINUING benefits from last year's rationalisation measures and further price improvement in fabricated products have been reflected in the first half surge in taxable profit from £3.1m to £26.3m at British Alcan Aluminium.

The result in the period to the end of June 1984 already beats the £22.1m reported in the last full year, but the directors warn that "in the present national industrial circumstances" the outlook for the rest of the year must be viewed with caution.

The group was formed out of

the merger with British Aluminium in 1982, and is ultimately owned by Alcan Aluminium of Canada.

Turnover rose from £272.9m to £322.5m, from which operating profit emerged substantially up at £38.1m against £13.4m. Interest charges took £11.8m (£10.3m).

After tax at £1.2m (£1.6m) and minority interests £0.3m (nil) attributable profit rose from £1.5m to £34.8m.

Capital expenditure was restricted during the six month period. The cash generation achieved has enabled the group to reduce borrowings by £26m.

See Lex

### Specialty business rises at Yorkshire Chemicals

AN UPTURN in pre-tax profits from £131,000 to £140,000 has been shown by Yorkshire Chemicals for the first half of 1984. The directors say the second half will continue to be adversely affected by the absorption of resources and costs disproportionate to short-term benefits.

Comparisons have been amended by £214,000 for a stock discrepancy.

Turnover moved up from £13.6m to £15.27m. At the operating level profits improved from £502,000 to £577,000, but were subject to higher interest costs of £437,000 (£371,000).

The directors say work has been going on for the past year in terms of new products, new markets, re-equipment and modernisation of information systems which started to create a more broadly spread business based on specialty chemical manufacturing skills.

During the period sales of specialty products increased by 29 per cent and now represent 28 per cent of total sales against 21 per cent in the first half of 1983.

As indicated at the annual meeting, the group is absorbing substantial costs in developing plant and processes in order to bring about this growth. This sector of activities is continuing to grow.

### SUMMARY OF RESULTS

	1984	1983
	£m	£m
TURNOVER	1,134.1	1,127.2
TRADING PROFIT	181.6	201.7
PROFIT BEFORE TAXATION	191.6	209.3
EARNINGS PER SHARE	35.35p	38.29p
DIVIDENDS PER SHARE	13.65p	13.00p

Extracts from the Review of Operations in the Annual Report and Accounts for the year ended 31st March 1984

### SALES OF SCOTCH WHISKY

To export markets

The continuing effect of the economic problems experienced by many of the major world-wide markets for Scotch whisky led to a decline in Group shipments of 10.7%. However, the Group slightly improved its share of industry shipments, due to relatively good sales to the USA, where Dewar performed particularly well and Johnnie Walker Red Label and Black Label, distributed by Somerset Importers, maintained their strong positions in the market.

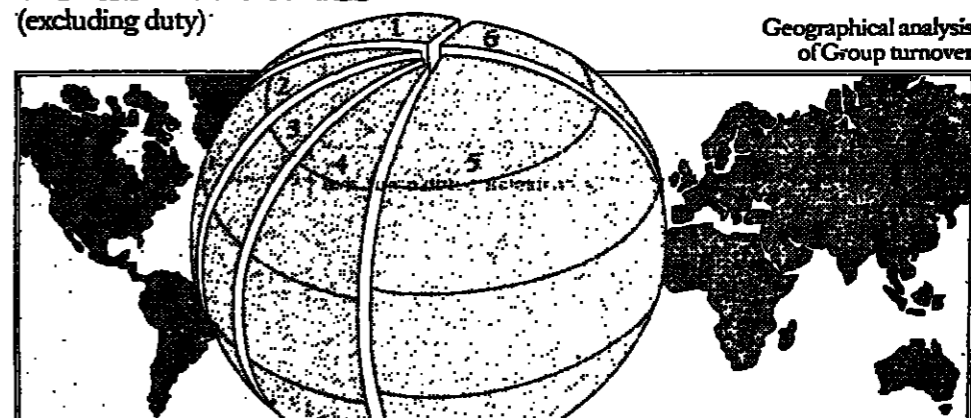
South America was the trading area most seriously affected by factors such as the devaluation of local currencies, import restrictions and high local taxation and here the Group's trade declined by one third. In Japan, sales of White Horse, the Group's leading brand, were satisfactory as were those of Old Parr. The new brands shipped exclusively to the Japanese market, White Horse Extra Fine and Johnnie Walker Old Harmony, fulfilled expectations.

Although faced by intensified competition, the Group succeeded in maintaining its share of bottled in Scotland shipments to the EEC, a market in which Scotch whisky continues to enjoy strong consumer appeal. Johnnie Walker Red Label occupied a leading position in this important market.

### To the home market

During the year, industry figures for sales of Scotch whisky showed an increase of 5.2%, in which the Group shared. The market remains extremely competitive and, to increase Group penetration and effectiveness, a new company, The Distillers Company (Home Trade) Ltd, was brought into being. This company has assumed responsibility for marketing and selling in the UK

### WORLD-WIDE SALES (excluding duty)



- 1. NORTH AMERICA 24%
- 2. CENTRAL AND SOUTH AMERICA 8%
- 3. AFRICA 6%
- 12% ASIA AND AUSTRALASIA
- 32% UNITED KINGDOM
- 18% CONTINENTAL EUROPE

nearly all Group brands of Scotch whisky and Pimm's and Fine Cognac.

### SALES OF WHITE SPIRITS

As a result of the re-organisation of existing resources, a new White Spirits Division was formed to co-ordinate the production, marketing and sale of Group brands of gin and vodka. A further rationalisation occurred with the commencement of operations at Tanqueray Gordon's new bottling complex at Basildon, which will accommodate the bottling of Gordon's and Booth's Gins and Cossack Vodka at a significantly lower cost.

Demand for gin in the UK showed some improvement and the brand leader, Gordon's,

increased its sales. Although shipments of Gordon's to export markets were slightly lower, there was a substantial increase in export sales of Tanqueray Gin, particularly to its major market, the USA.

The overall increase in world sales of the Group's brands of gin encourages the belief that there is still further potential for the development of this traditional and versatile spirit.

### FOOD GROUP

Whilst profits did not reach last year's record level, good progress was made in a number of trading sectors. The marketing and distribution activities of the United Yeast Company continued to expand, with new lines and further development of sales of frozen food.

### CARBON DIOXIDE

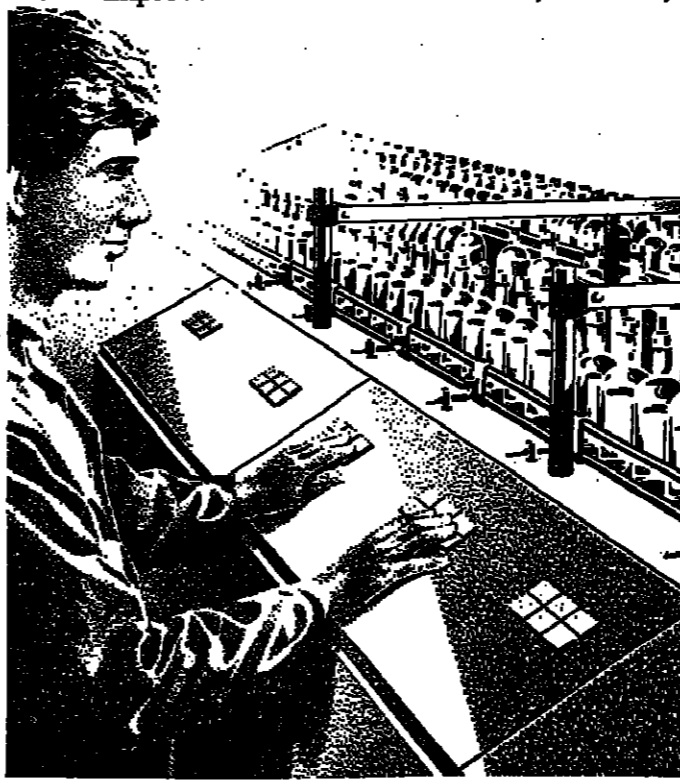
Profits were again good although a little below the improved level of 1982/83.

### OVERSEAS OPERATIONS

The Group completed the purchase of the whole of the issued share capital of Somerset Importers Ltd of New York on 16th May 1984. The price paid in cash at completion was US\$250 million funded by the US\$250 million unsecured revolving credit facility from a syndicate of banks.

In his Statement the Chairman, Mr. J. M. Cornell, said:

"We are operating in a rapidly changing trading environment in the world markets where we sell our products. We shall adapt ourselves to meet the challenges created by these changes, and I am sure that the considerable wealth of talent which exists within the Company will, backed by our financial strength, enable us to face the future with confidence."



## The Distillers Company plc

The One Hundred and Seventh Annual General Meeting of The Distillers Company plc will be held at the North British Hotel, Edinburgh, on Thursday, the 20th day of September, 1984, at 12.15 p.m.

### Half-Yearly Statement

The premium income and new business figures of the insurance subsidiaries for the half-year ended 30 June 1984 are as follows (the corresponding figures for the six months to 30 June 1983 are shown in brackets).

	£m	£m
1 PREMIUM INCOME		
Ordinary Branch	37.3	(29.1)
Industrial Branch	14.3	(13.9)
General Branch	4.2	( 3.6)
2 NEW BUSINESS FIGURES		
Annual Premiums	11.2	(10.5)
Single Premiums	19.2	(10.7)
Sums Assured	279.4	(258.0)

The new business figures are net of reinsurance.

It should be noted that the new business figures at the half-year do not necessarily provide a reliable guide to those for the full year.

London and Manchester Group plc



THE PROPERTY MARKET BY MICHAEL CASSELL

A nasty case of mud-slinging breaks out along the river bank

BOB REYNOLDS, the chief planning officer of Hounslow in west London, is not an especially astute of the two-lipped door snail. He is, nevertheless, happy to have the little mollusc on his side in his fight to prevent one of the most controversial development schemes ever proposed along the River Thames.

The small lives in the intertidal mud flats which lie off the riverbank at Brentford. Along with the equally obscure hairy small and the rare Sea Clubrush—not to mention a positive shoal of red herrings—they have been dragged into a planning battle in which the central issues often seem to have been swept away in a tide of accusations, invective and innuendo.

A public inquiry into the proposals, which entails filling in a stretch of the river and Lot's Ait—one of three islands off Kew Gardens—will resume at Hounslow civic centre next week. Which location will have most mud stuck to it by the end of the hearing is hard to assess. It is a planning battle in

which personalities loom large. On one side is Reynolds, stoutly defending the sanctity of the Thames and of his council's development policy; on the other is Beadle, a flamboyant and enthusiastic property man with over 100 schemes behind him and a driving determination to add Lot's Ait to the list.

Both sides have called in armies of experts, analysts and advisers to press their case, in what they all accept is one of the most crucial planning inquiries ever staged in the greater London area.

It is a planning battle in which emotions are running high and politics are being played to the full. Take, for example, the words of George Nicholson, chairman of the Greater London Council planning committee: "We cannot tolerate a jam-packed scheme which would create a precedent of allowing speculators to bury part of London's beloved Thames under thousands of tons of concrete. Developers are trying to grab part of the river for themselves to build houses for the rich."

No river "Where on earth would it end? We would have no river left. Someone might then want to deck over the Thames throughout central London just to build more tourist shops." No one, apparently, has told

Mr Nicholson that County Hall, home of the GLC, is built on just such an infill site.

Over to Beadle: "We are fighting a political and not a planning battle. The actions of Hounslow's planning officials has been disgraceful and scandalous and our proposals have been repeatedly misrepresented."

"Let no one imagine we are attempting to destroy some green and pleasant stretch of Thameside land. The site in question involves a derelict collection of ugly buildings on which Brentford has until now been happy to turn its back. If the council gets its way, it could end up as a sand and ballast depot or a scrap metal yard. So much for conservation then."

The two sides have not always been at each other's throats. Indeed, in 1977, Hounslow asked Beadle to advise them on the future of the run-down riverside at Brentford. They partnered each other in the development of Thameside House, a 22,000 sq ft office scheme now fully let, and also worked together in establishing the nearby Waterman's Park arts centre and office complex.

Whether or not those talks ever took place has provoked a major row. Reynolds says discussions were duly held but Dimsdale denies it and at the re-opened inquiry will demand proof of the talks were held—in the shape of entries in the chief planning officer's diary. Beadle says he will go to the High Court, if necessary, to ensure the relevant documents are produced.

Major row Last September, Reynolds reported "no progress" to his committee and the Dimsdale proposals were rejected by 11 votes to 10, with two abstentions. After withdrawing

proposals for a second scheme, the developers produced a third blueprint, involving more homes, a small marina, craft workshops and 23,000 sq ft of offices.

In joining Lot's Ait to the bank, around 2½ acres of water would be filled in with 170,000 cubic metres of sea-dredged aggregate and the island would be raised by about 8 ft. Both the original proposals and the latest plans are being examined together by the inquiry inspector.

Bob Reynolds says the grounds for refusal centre on arguments of planning policy and precedent, although the council is equally anxious—along with a number of conservation organisations—to preserve the natural riverside environment.

"The plans would create a backwater creek into which silt and sediment would be deposited. The water would no longer be scoured by tidal flow and would become stagnant, dirty, unattractive and incapable of supporting wildlife. We are hardly basing our case on the fate of the two-lipped door snail but the future of such creatures is an issue."

The scheme is viable as it stands. There is a nagging doubt that what we have got is a planning application to establish the principle of filling in the river. Once that is allowed, the developers will come up with something much bigger and more profitable."

Hounslow's chief planning officer says the plans will involve "a huge and expensive engineering operation aimed at providing very small and very expensive homes. In any case, we don't want housing on that site."

Dismissed Hounslow also says it has checked the Thames from Oxford to Essex and says there is no precedent for filling in the river. "One thing this inquiry has taught us is that local authorities must establish a much more clearly defined policy towards the river. It is too important to handle on a piecemeal basis."

The council has also put forward numerous other planning objections to the plan, all of which are dismissed by a development team which feels Hounslow planners have abused the planning system and set themselves against the riverside proposals and on a deliberately obstructive course.

According to Dennis Beadle: "Decisions have been made which have nothing to do with planning and everything to do with local politics and old-fashioned dogma. This inquiry has been forced to listen to detailed argument on planning points which should have been raised in preliminary negotiations. But we were never given the chance to hold those discussions. The hearing could cost as much as £350,000 and we will be going for full costs, whatever the outcome."

Beadle states flatly: "The PLA has powers to fill the river without consent from anyone else and I have a piece of paper in my pocket allowing me to get on and do it. As for the precedent argument, the PLA itself has given us a long list of riverside sites where this has been done over the years."

Beadle rejects all the arguments about over-development, pointing to higher-density projects all over the borough and is clearly annoyed that, further

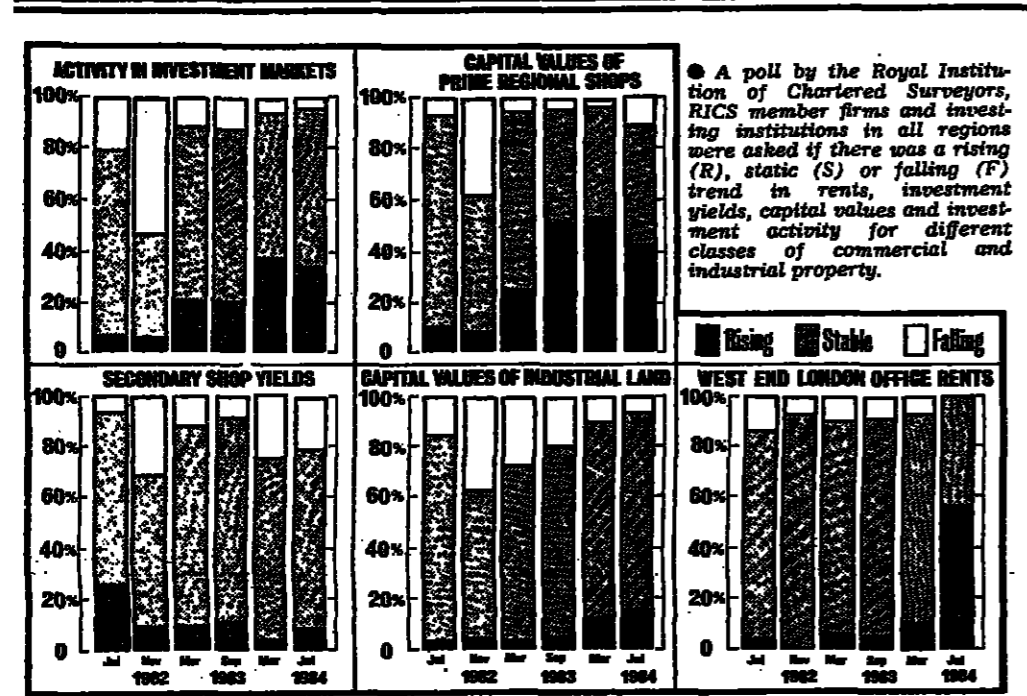
upriver at Isleworth, the council is itself joining forces with SPCW to develop what his QC described as the inquiry as an "almost identical site."

"The latest little manoeuvre in Hounslow's campaign is the emergence, with an inquiry still running, of a tree preservation notice for Lot's Ait. There are three trees on the islands and our experts say all three are diseased."

"How can the council persist in its criticism of our scheme on the basis it will harm the local environment when it has openly acknowledged that it proposes this part of the riverbank should be earmarked for general industrial use? When barges were repaired at Lot's Ait, mechanical hammers, electric drills and saws were used all the time. Hounslow is now apparently happy to contemplate a lifetime of noise, vibration, smell, smoke, dust and grit, rather than a pleasing riverside environment in which people can work and live."

Even the plucky little freshwater snail with a penchant for mud has, according to Beadle, been misrepresented. "The door snail is not that rare along the river and, in any case, he lives primarily around the next island and not on ours. We know, because we got someone to dig a few up." What else remains to be dug up at the inquiry, likely to run for another couple of weeks, is anyone's guess.

THE FT/RICS PROPERTY INDICATORS



Few signs of strong revival

ACTIVITY in the UK commercial property market remains subdued, according to the findings of the 25th Business Indicator poll conducted jointly by the Royal Institution of Chartered Surveyors and the Financial Times.

At the time of the last poll, in March, there were clear signs that investment interest was finally reviving after a prolonged period of low spending activity. Since then, there has been some evidence that institutions have been more ready to contemplate stepping up property investment programmes but the latest poll findings show their return to the market remains cautious and highly selective.

In March, about 40 per cent of respondents reported a rising level of investment activity in the property sector, but by July the proportion was down to a third. In the major investment markets, such as the City of London and the West End,

substantial reductions in investment activity were registered. The fall may have something to do with seasonal factors and a shortage of suitable opportunities, but the poll would seem to confirm the view that large-scale upwelling in spending on property is still some way off.

The present trend of investment yields shows little change from the picture recorded four months earlier. The overall situation remains static, with minimal reports of any increases in yield levels and with reductions largely confined to prime regional shops and secondary shops.

This week, a report from Hillier Parker May & Rowden shows that rents for secondary shops have actually risen at an annual rate of 9.2 per cent since 1978, against 6.5 per cent for prime retail premises.

The agents point out that, despite the recession, secondary rents have stayed ahead of inflation since 1981 while prime

rents have only managed to do so for the past six months. They comment: "The better performance of secondary shops in a recession is the opposite of what many people would expect. It is argued that sales in the best trading positions are less vulnerable to fluctuations than more peripheral locations. On the evidence of the past five years, this appears not to be so; if anything the reverse applies."

According to the 25th indicator poll, the national picture shows both prime and secondary shop rents moving significantly upwards. In the office market, the overall situation reflects fairly static rents. Fewer respondents say rents in the City of London are now on the increase but there is evidence that West End rentals are at last beginning to move. At the time of the March poll, only 11 per cent of respondents thought office rents in the West End were increasing but now the figure has moved up to 56 per cent.

AREAS	LON. CITY	WEST END	REY. GLC	SE (EX-LON)	N	NW	EAST ANGLIA	YORKS & HUMBER	EAST MIDS.	WEST MIDS.	SW	SCOT.	WALES	N. IRE.	NATIONAL
<b>QUESTION 1</b>															
Compared with three months ago: What is the trend in rents?															
	R	%	%	%	%	%	%	%	%	%	%	%	%	%	%
(a) Offices	R	32	56	7	32	0	18	27	10	7	16	19	65	0	17
	S	48	44	93	68	92	74	64	80	86	79	76	35	90	83
	F	0	0	0	0	0	6	9	10	7	5	5	0	10	0
(b) Prime Regional Shops	R	40	85	78	64	85	71	100	78	86	50	73	75	30	67
	S	60	15	22	35	15	29	0	22	14	50	27	25	70	33
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Secondary Shops	R	23	43	36	42	33	47	55	24	36	24	48	60	33	32
	S	69	57	64	58	67	53	45	76	64	74	52	40	67	50
	F	8	0	0	0	0	0	0	0	0	0	0	0	17	11
(d) Modern Factories	R	20	17	36	33	0	6	0	0	0	0	4	0	0	9
	S	70	83	64	63	92	88	92	95	100	95	92	94	100	60
	F	10	0	0	4	8	6	8	5	0	5	4	6	0	6
(e) Modern Warehouses	R	22	17	34	25	0	6	0	0	0	0	4	4	0	11
	S	78	83	64	75	92	92	84	90	100	92	98	100	80	85
	F	0	0	0	3	8	12	8	5	0	4	0	0	20	4
<b>QUESTION 2</b>															
What is the trend of invest yields?															
	R	%	%	%	%	%	%	%	%	%	%	%	%	%	%
(a) Offices	R	0	18	0	8	0	19	20	17	0	6	0	0	0	6
	S	100	76	100	84	91	74	70	78	100	88	86	93	98	67
	F	0	6	0	8	9	13	10	5	0	6	0	7	10	33
(b) Prime Regional Shops	R	0	21	0	4	0	0	0	18	0	0	11	13	0	8
	S	89	44	80	71	75	67	50	59	77	82	68	56	89	50
	F	11	15	20	25	25	33	10	23	15	18	21	31	11	50
(c) Secondary Shops	R	9	7	17	12	0	0	20	0	0	18	10	14	0	9
	S	64	73	50	73	73	86	50	69	77	71	65	72	88	83
	F	27	20	33	15	27	14	30	31	23	11	25	14	12	21
(d) Modern Factories	R	0	0	8	0	0	27	0	0	0	0	13	7	0	20
	S	100	84	84	84	91	67	90	77	92	89	61	92	90	80
	F	0	0	8	8	9	6	10	11	0	11	25	0	10	10
(e) Modern Warehouses	R	0	0	8	13	0	13	0	17	0	0	13	7	0	7
	S	84	100	84	87	91	80	90	72	100	89	65	93	90	83
	F	14	0	8	0	9	7	10	11	0	11	22	0	10	0
<b>QUESTION 3</b>															
What is the trend of capital values?															
	R	%	%	%	%	%	%	%	%	%	%	%	%	%	%
(a) Offices	R	25	47	8	40	0	19	20	6	11	19	44	0	33	21
	S	75	47	92	54	92	69	70	83	84	83	56	78	67	72
	F	0	6	0	4	8	12	10	11	5	0	22	0	10	0
(b) Prime Regional Shops	R	44	75	75	67	75	58	100	82	41	47	53	45	47	54
	S	56	25	25	33	25	42	0	18	31	53	47	53	53	35
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	11
(c) Secondary Shops	R	27	43	40	48	27	79	60	22	14	23	35	36	50	17
	S	64	50	50	52	64	21	20	72	72	71	60	64	50	83
	F	9	7	10	0	9	0	20	6	14	6	5	0	0	5
(d) Modern Factories	R	25	17	38	30	0	58	100	0	0	17	13	0	0	12
	S	63	83	54	67	92	56	91	89	92	78	58	87	89	50
	F	12	0	8	3	8	38	9	11	8	5	29	13	11	50
(e) Modern Warehouses	R	32	17	38	33	8	13	0	6	0	17	12	7	0	14
	S	67	83	54	63	84	62	91	83	100	78	63	80	89	83
	F	0	0	8	4	8	25	9	11	0	5	25	13	11	17
(f) Industrial Land	R	37	33	50	35	0	7	10	6	0	6	13	7	0	15
	S	63	67	50	65	92	83	90	94	83	82	74	84	88	100
	F	0	0	0	0	8	10	0	0	17	12	13	7	12	0
<b>QUESTION 4</b>															
Activity in Investment Markets															
	R	26	25	36	32	33	44	45	53	31	13	36	36	10	50
	S	63	75	64	64	58	56	55	47	69	87	59	64	80	33
	F	11	0	0	4	9	0	0	0	0	0	5	0	10	17

**NOP PROPERTY INDUSTRY READERSHIP SURVEY '83**

**ESTATES TIMES TOPS THE AVERAGES AGAIN**

All respondents are Estate Agents and Property Managers

AVERAGE ISSUE READERSHIP

Unweighted Date: 4/82

Estimated Date: 1/83

WEEKLY PUBLICATIONS	MONTHLY PUBLICATIONS	DAILY NEWSPAPERS	SUNDAY NEWSPAPERS
<ul style="list-style-type: none"> <li>Land &amp; Building News: 11%</li> <li>Chartered Surveyor: 10%</li> <li>Construction News: 10%</li> <li>Property: 10%</li> <li>Building News: 10%</li> <li>Financial Times: 10%</li> <li>The Times: 10%</li> <li>The Independent: 10%</li> <li>The Daily Telegraph: 10%</li> <li>The Sunday Times: 10%</li> <li>The Sunday Express: 10%</li> <li>The Sunday Mirror: 10%</li> <li>The Sunday Post: 10%</li> <li>The Sunday Herald: 10%</li> <li>The Sunday Mail: 10%</li> <li>The Sunday People: 10%</li> <li>The Sunday Express: 10%</li> <li>The Sunday Mirror: 10%</li> <li>The Sunday Post: 10%</li> <li>The Sunday Herald: 10%</li> <li>The Sunday Mail: 10%</li> <li>The Sunday People: 10%</li> </ul>	<ul style="list-style-type: none"> <li>Land &amp; Building News: 11%</li> <li>Chartered Surveyor: 10%</li> <li>Construction News: 10%</li> <li>Property: 10%</li> <li>Building News: 10%</li> <li>Financial Times: 10%</li> <li>The Times: 10%</li> <li>The Independent: 10%</li> <li>The Daily Telegraph: 10%</li> <li>The Sunday Times: 10%</li> <li>The Sunday Express: 10%</li> <li>The Sunday Mirror: 10%</li> <li>The Sunday Post: 10%</li> <li>The Sunday Herald: 10%</li> <li>The Sunday Mail: 10%</li> <li>The Sunday People: 10%</li> </ul>	<ul style="list-style-type: none"> <li>Land &amp; Building News: 11%</li> <li>Chartered Surveyor: 10%</li> <li>Construction News: 10%</li> <li>Property: 10%</li> <li>Building News: 10%</li> <li>Financial Times: 10%</li> <li>The Times: 10%</li> <li>The Independent: 10%</li> <li>The Daily Telegraph: 10%</li> <li>The Sunday Times: 10%</li> <li>The Sunday Express: 10%</li> <li>The Sunday Mirror: 10%</li> <li>The Sunday Post: 10%</li> <li>The Sunday Herald: 10%</li> <li>The Sunday Mail: 10%</li> <li>The Sunday People: 10%</li> </ul>	<ul style="list-style-type: none"> <li>Land &amp; Building News: 11%</li> <li>Chartered Surveyor: 10%</li> <li>Construction News: 10%</li> <li>Property: 10%</li> <li>Building News: 10%</li> <li>Financial Times: 10%</li> <li>The Times: 10%</li> <li>The Independent: 10%</li> <li>The Daily Telegraph: 10%</li> <li>The Sunday Times: 10%</li> <li>The Sunday Express: 10%</li> <li>The Sunday Mirror: 10%</li> <li>The Sunday Post: 10%</li> <li>The Sunday Herald: 10%</li> <li>The Sunday Mail: 10%</li> <li>The Sunday People: 10%</li> </ul>

Contact David Wicks for the latest NOP Property Industry Readership Survey findings - which show that ET tops them all in property press and National - in all the major readership categories. Ask too for a viewing of the ET video. Ring on 01-855 7777 or write to: Estates Times, Morgan-Grampian (Construction Press) Ltd, 30, Calderwood Street, London, SE18 3JF. Regular - Average Issue - Total - Cumulative

**INDUSTRIAL DEVELOPMENT SITE FOR SALE**

SUITABLE FOR IBA's HAROLD HILL, NEAR ROMFORD, ESSEX

1.1 ACRES APPROXIMATELY

**GLenny**

591 6671

**CANNON STREET EC4**

Economical Office Suite

1400 Sq. Ft. Approx

Ref: ALR

**Jones Lang**

01-638 6040

**WATERMILL** - 1100 sq ft and 1/4 acre land and mill pond to let as commercial premises on prestigious Home Farm estate. South Connaught. For details telephone Lockwood Estate (office 0025) 635200.

**MAYFAIR** - Suite



AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A through Z) and including columns for stock name, price, and change.

Continued on Page 22

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A through Z) and including columns for stock name, price, and change.

Notes: Figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

WORLD ECONOMIC INDICATORS every Monday in the Financial Times

WORLD STOCK MARKETS

Table of world stock markets including Australia, Germany, Norway, Australia (continued), Japan (continued), and various regional indices like DENMARK, ITALY, FRANCE, NETHERLANDS, CANADA, and SINGAPORE.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of over-the-counter stock prices from the Nasdaq national market, listing various stocks and their closing prices.

LONDON Chief price changes

Table of London stock market price changes, categorized into RISES and FALLS, listing various stocks and their price movements.

Table of American stock exchange closing prices, including Toronto and Montreal markets, listing various stocks and their closing prices.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table of American stock exchange closing prices, listing various stocks and their closing prices.

MONTREAL Closing prices August 23

Table of Montreal stock market closing prices for August 23, listing various stocks and their closing prices.

W-W-W

Table of W-W-W stock market closing prices, listing various stocks and their closing prices.

V-V-V

Table of V-V-V stock market closing prices, listing various stocks and their closing prices.

U-U-U

Table of U-U-U stock market closing prices, listing various stocks and their closing prices.

Continued on Page 30

Follow the Leader Do you want to reach the top international financial specialists in European industry?

FINANCIAL TIMES KAZ. HANDELSBLATT LE MONDE L'HEURE NEUE ZÜRCHER ZEITUNG WALL STREET JOURNAL BUSINESS WEEK ECONOMIST TIME NEWSWEEK INSTITUTIONAL INVESTOR (INT. ED.) EUROMONEY

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Prospect of dock strike unsettles markets but fails to worry investors

Account Dealing Dates

\*First Declared Last Account Dealings Dates... July 30 Aug 2 Aug 29 Aug 31 Aug 31 Sept 15 Sept 15 Sept 15 Sept 15 Sept 15

The prospect of Britain's second national dock strike within a month unsettled London stock markets but at the same time appeared not to unduly worry investors.

Less favourable U.S. market trends—long bonds and equity values both reacted—also made for a more cautious investment approach.

As sterling weakened, the market's losses in Government securities were extended to 4 and occasionally more.

Takeover speculation thrived in the absence of genuine investment business. Tate and Lyle, currently bidding for Brooke Bond, became the latest target and rose sharply on strong rumours that Dalgety was about to launch an offer.

Standard rally Dull since reporting disappointing interim profits on Tuesday, Standard Chartered staged a technical recovery and closed 9 better at 467p, after 474p.

tained the biggest fall at 328p, down 7. Renewed profit-taking in the wake of the half-year results left Pearl a further 10 down at 878p.

Other life issues followed with Equity and Law closing 5 off at 179p and Legal and General the same amount cheaper at 530p.

Among other recently issued equities, U.S. oil exploration group Great Western Resources gained 15 to 210p, after 200p, following confirmation of a favourable drilling report in the D.J. Basin, Wyoming.

The chairman of Scottish and Newcastle gloomily remarked at yesterday's annual meeting, particularly his admission that the beer market had been surprisingly resilient to a summer depression.

House of Fraser rise Stores were featured by another speculative rise in House of Fraser, 8 better at 376p.

House of Fraser rise Stores were featured by another speculative rise in House of Fraser, 8 better at 376p.

FINANCIAL TIMES STOCK INDICES Table with columns for Aug 23, Aug 22, Aug 21, Aug 20, Aug 17, Aug 16, Year ago. Includes Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS S.E. ACTIVITY Table with columns for 1984, Since Completed, High, Low, Date, etc. Includes Govt. Secs, Fixed Int., Ind. Ord., etc.

interim loss, while AFV, reflecting long half-year profits, fell 8 to 232p. Meggitt ended 3 lower at 45p following the first-half figures, acquisition news and proposed rights issue.

Takeover situations, both actual and rumoured, continued to provide most of the interest in the subject of considerable speculative activity on rumours that Dalgety are contemplating a bid for the former owner of 300p prior to closing a net 11 up at 388p.

Highgate and Job up Included earlier initially, most leading miscellaneous industrial picked up to close only a few pence lower on the day.

South African Gold opened on a firm note reflecting bullion's impressive overnight performance on Wall Street.

Techniques, a similar amount down at 235p.

Among Motor Components, Lucas Industries came on offer and dropped 6 to 151p.

Against the quietly firm trend in Paper/Printings, Oliver Paper fell 2 to 31p, after 20p, on the omission of the interim dividend and first-half deficit.

Impe softened a penny more for a two-day decline of 6 at 180p, sentiment still soured by an unfavourable reaction from Springwood Kempco.

Oil's mixed Beneficiaries recently of the healthier outlook for spot crude prices and also increased take-over speculation, Oils gave ground at the outset, but subsequently staged a rally with the subject of considerable speculative activity on rumours that Dalgety are contemplating a bid for the former owner of 300p prior to closing a net 11 up at 388p.

Gold's quiet firm South African Gold opened on a firm note reflecting bullion's impressive overnight performance on Wall Street.

London bullion opened a couple of dollars below the U.S. close but was still firmly established above the psychologically important \$350 per ounce level and closed \$2.75 up on balance at \$352.25 per ounce.

Among leading heavyweights, Kloe rose 11 to 535 and similar rises were noted in Val Beefe, 231; President Brand, 229; and Western Deep, 237.

London Financials were quietly irregular in the absence of any real lead from base-metal markets. RTZ dipped 6 more to 547p, but Charter attracted small buyers and hardened a friend of pence to 242p.

De Beers remained friendless in the wake of Tuesday's interim dividend standstill and closed 8 off at 424p for a three-day decline of 28.

Relatively buoyant earlier in the week following satisfaction of the budget proposal, leading Australian base-metal stocks encountered steady selling as investors took heed of Wall Street's reaction.

London operators were reluctant to commit funds and prices consequently closed at the day's lowest. CRA fell 10 to 385p, and Fekal's sentiment further unsettled by poor interim figures from Esogalwale, 3 off at 114p.

Western Mining, 239p, and Fekalwale, 329p, gave up 4 apiece.

Initially firm behind U.S. and Hong Kong bullion prices, golds lacked support and closed a few pence easier on balance. Northern Broken Hill gave up 6 at 145p and the LORF fell 10 to 128p.

De Beers remained friendless in the wake of Tuesday's interim dividend standstill and closed 8 off at 424p for a three-day decline of 28.

blashed above the psychologically important \$350 per ounce level and closed \$2.75 up on balance at \$352.25 per ounce.

Among leading heavyweights, Kloe rose 11 to 535 and similar rises were noted in Val Beefe, 231; President Brand, 229; and Western Deep, 237.

London Financials were quietly irregular in the absence of any real lead from base-metal markets. RTZ dipped 6 more to 547p, but Charter attracted small buyers and hardened a friend of pence to 242p.

De Beers remained friendless in the wake of Tuesday's interim dividend standstill and closed 8 off at 424p for a three-day decline of 28.

Relatively buoyant earlier in the week following satisfaction of the budget proposal, leading Australian base-metal stocks encountered steady selling as investors took heed of Wall Street's reaction.

London operators were reluctant to commit funds and prices consequently closed at the day's lowest. CRA fell 10 to 385p, and Fekal's sentiment further unsettled by poor interim figures from Esogalwale, 3 off at 114p.

Western Mining, 239p, and Fekalwale, 329p, gave up 4 apiece.

Initially firm behind U.S. and Hong Kong bullion prices, golds lacked support and closed a few pence easier on balance.

Northern Broken Hill gave up 6 at 145p and the LORF fell 10 to 128p.

De Beers remained friendless in the wake of Tuesday's interim dividend standstill and closed 8 off at 424p for a three-day decline of 28.

Relatively buoyant earlier in the week following satisfaction of the budget proposal, leading Australian base-metal stocks encountered steady selling as investors took heed of Wall Street's reaction.

London operators were reluctant to commit funds and prices consequently closed at the day's lowest. CRA fell 10 to 385p, and Fekal's sentiment further unsettled by poor interim figures from Esogalwale, 3 off at 114p.

Western Mining, 239p, and Fekalwale, 329p, gave up 4 apiece.

Initially firm behind U.S. and Hong Kong bullion prices, golds lacked support and closed a few pence easier on balance.

Northern Broken Hill gave up 6 at 145p and the LORF fell 10 to 128p.

EQUITIES

Table of equity prices with columns for Issue Name, Amount, Price, etc. Includes Alphanumeric, BHP, etc.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue Name, Amount, Price, etc. Includes 100, 100, etc.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue Name, Amount, Price, etc. Includes Applied Botanicals, etc.

NEW HIGHS AND LOWS FOR 1984

Table of new highs and lows for 1984 with columns for Issue Name, High, Low, etc. Includes American Eagle, etc.

ACTIVE STOCKS

Table of active stocks with columns for Issue Name, Price, etc. Includes Blue Circle, etc.

WEDNESDAY'S ACTIVE STOCKS

Table of Wednesday's active stocks with columns for Issue Name, Price, etc. Includes Glaxo, etc.

RISES AND FALLS YESTERDAY

Table of rises and falls yesterday with columns for Issue Name, Rise, Fall, etc. Includes British Food, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table of FT-Actuaries Share Indices with columns for Equity Groups, Years Aug 23 1984, etc. Includes Capital Goods, Building Materials, etc.

FIXED INTEREST

Table of fixed interest rates with columns for British Government, etc. Includes 1, 2, 3, 5, 10, 15, 20, 25 years.

\*Flat yield. Highs and lows record, base rates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4A 3DF, price 35p, by post 38p.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Series, Vol., Last, etc. Includes GOLD, SILVER, etc.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option, Calls, Puts, etc. Includes B.P., Courtland, etc.

**Espley Trust plc**  
—broadly based for growth  
London · Leeds · Birmingham  
021-454 9881

# FT LONDON SHARE INFORMATION SERVICE

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## Five to Fifteen Years

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## Over Fifteen Years

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## Undated

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## Index-Linked

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## CORPORATION LOANS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## LOANS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## Public Board and Ind.

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## Financial

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## AMERICANS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## BEERS, WINES—Cont.

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## DRAPERY & STORES—Cont.

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## ENGINEERING—Continued

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## INDUSTRIALS (Misc.)

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## CANADIANS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## BANKS, HP & LEASING

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## CHEMICALS, PLASTICS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## DRAPERY AND STORES

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## FOOD, GROCERIES, ETC

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## ENGINEERING

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

## HOTELS AND CATERERS

High	Low	Stock	Price	%	Yield
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0
1000	995	1000	1000	100	10.0

Up 11 not 10



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

LEISURE—Continued

Table of leisure stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

PROPERTY—Continued

Table of property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

DAIWA BANK logo and contact information for London, New York, and Tokyo branches.

MINES—Continued

Table of mining stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

INSURANCES

Table of insurance stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

COMMERCIAL VEHICLES

Table of commercial vehicle stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

SHIPPING

Table of shipping stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

PLANTATIONS

Table of plantation stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

LEISURE

Table of leisure stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

PROPERTY

Table of property stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

FINANCE, LAND, ETC

Table of finance, land, and other stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

OIL AND GAS

Table of oil and gas stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock price, high/low, and volume.

NOTES section containing various financial notices, company announcements, and regional stock listings for Ireland and other areas.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Equities, British Shares, and British Bonds, with columns for name, value, and change.

Table listing unit trusts under the heading 'British Group - Continued', including British Shares, British Bonds, and British Equities.

Table listing unit trusts under the heading 'Foreign Group - Continued', including International Shares, International Bonds, and International Equities.

Table listing unit trusts under the heading 'Key Fund Managers Ltd (KFM)', including various equity and bond funds.

Table listing unit trusts under the heading 'Perpetual Unit Trusts', including various long-term investment funds.

Table listing unit trusts under the heading 'Trusts Under Unit Trust Managers', including various equity and bond funds.

Table listing unit trusts under the heading 'City of Westminster Assurance', including various life and general insurance funds.

Table listing unit trusts under the heading 'Various Other Unit Trusts', including a wide range of investment options.

FT UNIT TRUST INFORMATION SERVICE

F.T. CROSSWORD PUZZLE No. 5,500

- ACROSS
1 Money box of very poor quality? (3-3)
4 Cloth worker, one in a mess (8)
10 Type of window in the French upper room? (7)
11 Initiator of enterprise needs one in support? (7)
12 Call used in boxing? (4)
13 House-building team on site (10)
15 A tradesman is unfit to occupy a high position (6)
16 Dog-cart? (7)
20 Ends interim arrangements (7)
21 Where the batsman stands about in case (6)
24 Where they try to force soldiers to be good? (10)
26 Withdrawal of 101 meeting points (4)
28 Make no allowance in a speech? (7)
29 I'm quietly confronting every single charge (7)
30 Held out longer? (8)
31 Absolutely denied involvement (6)
DOWN
1 Permit - strange to relate (8)
2 Mention it, perhaps, too late (3, 2, 1)
3 Neglect to ring a man up (4)
5 Disclosure made by a photographer (6)
6 Land and labour required for a foundation (10)
7 See 14 down
8 Revolutionary development in naval fire-power (6)
9 Those who start such a race never finish it (5)
14 and 7 down: It pays him to do business, but commenting so is a mistake (10, 5)
17 Not at all simple to work out in detail (9)
18 Make it known the girl's named little weight (8)
19 Died - from hypothermia? (5)
22 Disregard one note and not another (6)
23 Make a move to be out of bed (5)
25 Expect a group of outstanding singers (5)

Crossword puzzle grid with numbers 1 through 31 indicating starting positions for the clues.

Solution to Puzzle No. 5,499, showing the completed crossword grid with words filled in.

Table listing unit trusts under the heading 'Various Other Unit Trusts', including a wide range of investment options.

Table listing unit trusts under the heading 'Various Other Unit Trusts', including a wide range of investment options.

Table listing unit trusts under the heading 'Various Other Unit Trusts', including a wide range of investment options.

Table listing unit trusts under the heading 'Various Other Unit Trusts', including a wide range of investment options.

Table listing unit trusts under the heading 'Various Other Unit Trusts', including a wide range of investment options.

INSURANCES

Table listing various insurance policies and companies, including Life, Fire, and Marine insurance.

Table listing various insurance policies and companies, including Life, Fire, and Marine insurance.

Table listing various insurance policies and companies, including Life, Fire, and Marine insurance.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and money funds, including Liberty Life Assurance Co Ltd, National Provident Institution, and others.

Table of financial data for various insurance and money funds, including Sava & Prager Group, Target Life Assurance Co Ltd, and others.

Table of financial data for various insurance and money funds, including C.A.L. Investments (Int'l) Ltd, British Overseas Airways Corp, and others.

Table of financial data for various insurance and money funds, including Overseas Investment (Int'l) Ltd, Strathmore Management Limited, and others.

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES





INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 23.

Table of international bond issues with columns for Issuer, Denomination, Maturity, Coupon, and Price. Includes sections for U.S. Dollars, Sterling, and Swiss Francs.

Table of international bond issues with columns for Issuer, Denomination, Maturity, Coupon, and Price. Includes sections for U.S. Dollars, Sterling, and Swiss Francs.

Nordic Investment Bank launches zero coupon bond

BY MAGGIE URRY IN LONDON
NORDIC INVESTMENT Bank yesterday became the third borrower within 10 days to launch a zero coupon bond and dealers presume it will also take advantage of the swap formula used by the Swedish Export Credit last week.

NIB's zero is small - its face-value is \$150m and, with a 31.75 per cent yield, it raises only \$47.625m. Like the SEK and Electricite de France issues, NIB's has a 10-year maturity. The lower price reflects the less well-known name. Again, Morgan Guaranty is lead manager...

OVER-THE-COUNTER

Continued from Page 22

Table of over-the-counter market data with columns for Stock, Sales, High, Low, Last, and Change. Includes various international stocks.

Indonesia in \$500m joint yen-dollar loan

BY MARGARET HUGHES IN LONDON

IDONESIA is raising \$500m on the Eurocredit market. It has awarded the mandate for the two-tranche loan to Chase Manhattan Asia, Manufacturers Hanover, Industrial Bank of Japan and Bank of Tokyo.

An amount of \$500m will be raised in yen, for which Bank of Tokyo will be lead manager. The other three banks will lead manage the \$200m dollar tranche...

Revised loan terms for UK Electricity Council

BY MARGARET HUGHES IN LONDON

BRITAIN'S Electricity Council has renegotiated the terms for the remaining four years of a 10-year \$500m Eurocredit loan, which it signed in September 1978.

The council renegotiated the terms to take advantage of the easier terms now prevailing in the Eurocredit market. It is the first UK borrower to do so...

Indices

NEW YORK DOW JONES

Table of stock indices including Dow Jones, S&P 500, and Nikkei 225 with columns for date, high, low, and change.

WEEKLY U.S. BOND YIELDS (%)

Table of weekly U.S. bond yields for various maturities and bond types, including Treasury bills, notes, and bonds.

COMMERZBANK OVERSEAS FINANCE N.V. U.S.\$ 100,000,000 Floating Rate Notes Due 1989. In accordance with the provisions of the Notes notice is hereby given that for the three months period from August 21, 1984 to November 21, 1984 the Notes will carry an interest rate of 11 1/4% per annum with a coupon amount of U.S.\$ 3,005.07.

There's more choice than ever for personal or coin operated lockers from Helmsman. Helmsman Lockers Northern Way Bury St Edmunds Suffolk. Tel: (0284) 2812. Telex: 817359.

Indices table with columns for Index Name, Date, High, Low, and Change. Includes sections for New York Dow Jones, Standard and Poors, and N.Y.S.E. All Common.